



ANNUAL BUDGET OF

HANTAM MUNICIPALITY

2013/2014 TO 2015/2016

**MEDIUM TERM REVENUE AND EXPENDITURE
FORECASTS**

PART 1 – ANNUAL DRAFT BUDGET

1.1. Mayor's Report

See attached

1.2. Council Resolution

On 27 May 2013 the Council of Hantam Municipality met in the Council Chambers of the Municipality to consider the Annual Budget of the Municipality for the 2013/2014 financial year. The Council approved and adopt the following resolutions:

1. The Council of Hantam Municipality, acting in terms of section 24 of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:
 - 1.1 The annual budget of the municipality for the financial year 2013/2014 and the multi-year and single-year capital appropriations set out in the following tables:
 - 1.1.1 Budgeted Financial Performance (revenue and expenditure by standard classification)
 - 1.1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote)
 - 1.1.3 Budgeted Financial Performance (revenue by source and expenditure by type)
 - 1.1.4 Multi-Year and single-year capital appropriations by municipal vote and standard classification and associated funding by source
 - 1.2 The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 1.2.1 Budgeted Financial Position
 - 1.2.2 Budgeted Cash Flow
 - 1.2.3 Cash-Backed Reserves and accumulated surplus reconciliation
 - 1.2.4 Asset Management and
 - 1.2.5 Basic Service Delivery measurement
2. The Council of Hantam Local Municipality, acting in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013:
 - 2.1. the tariffs for property rates – as set out in Annexure A

- 2.2. the tariffs for electricity – as set out in Annexure B
 - 2.3. the tariffs for the supply of water – as set out in Annexure C
 - 2.4. The tariffs for sanitation services – as set out in Annexure D
 - 2.5. the tariffs for solid waste services – as set out in Annexure E
- 3. The Council of Hantam Local Municipality, acting in terms of section 75A of the Local Government Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2013 the tariffs for other services, as set out in Annexure F.
 - 4. To give proper effect to the municipality's annual budget, the Council of Hantam Municipality approves:
 - 4.1 That cash backing is implemented through the utilisation of a portion of the revenue from property rates to ensure that all capital reserves and provisions, unspent conditional grants are cash backed as required in terms of the municipality's funding and reserves policy as prescribed by section 8 of the Municipal Budget and Reporting Regulations.

1.3. Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality business and service delivery priorities were reviewed as part of this year's planning and budget process.

The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers.

National Treasury's MFMA Circular No.58, 66 and 67 were used to guide the compilation of the 2013/14 MTREF.

The main challenges experienced during the compilation of the 2013/14 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies.

The following budget principles and guidelines directly informed the compilation of the annual budget for 2013/14 MTREF:

- The 2012/13 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Draft Budget were adopted as the upper limits for the new baselines for the 2013/14 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- An upper limit of expenditure was set for the following items and allocations to these items had to be supported by a list and/or motivation setting out the intention and cost of the expenditure which was used to prioritise expenditures:
 - Refreshments and entertainment
 - Subsistence and Travelling.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2013/14 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2013/2014 MTREF

	Adjustment Budget 2012/2013	Budget Year 2013/2014	Budget Year 2014/2015	Budget Year 2015/2016
Total Operating Revenue	62 563 606	67 954 448	70 718 025	74 508 486
Total Operating Expenditure	67 023 646	72 230 320	77 003 609	83 135 234
	-4 460 040	-4 275 872	-6 285 584	-8 626 748
Contribution from surplus	4 936 025	4 936 025	4 955 085	4 965 085
Surplus/(Deficit) for the Year	475 985	660 153	-1 330 499	-3 661 663
Total Capital Expenditure		23 544 070	9 953 000	26 205 000

Total operating revenue has grown by 8.62 per cent or R5 390 842 from 2012/2013 to 2013/2014. The increase in the items will be explained in other tables in this document.

Total operating expenditure has grown by 7.77 per cent or R5 206 674 from 2012/2013 to 2013/2014.

1.4. Operating Revenue Framework

For the Hantam Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these

challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 88 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the municipality.

The following table is a summary of the 2012/13 MTREF (classified by main revenue source):

Table 2: Summary of Revenue Classified by main revenue source

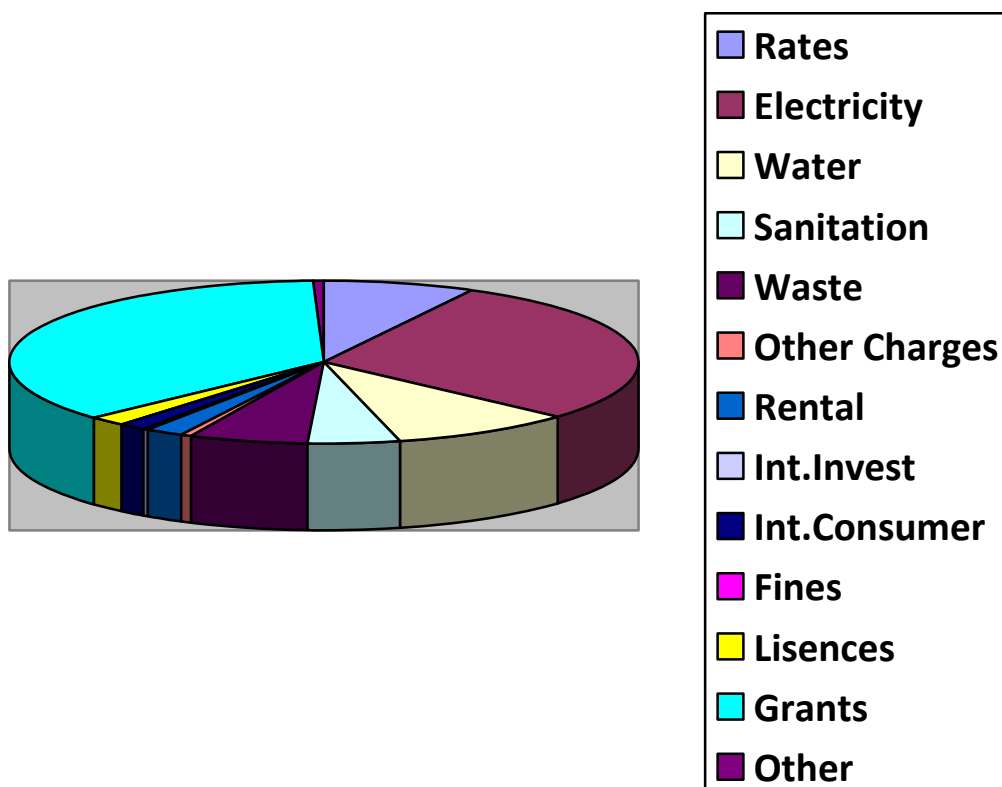
NC065 Hantam - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source											
Property rates	2	–	4,221	4,386	4,830	4,831	4,831	–	6,186	6,855	7,594
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	–	12,824	15,821	17,821	17,963	17,963	–	19,292	20,835	22,502
Service charges - water revenue	2	–	4,141	4,243	5,664	5,655	5,655	–	6,292	6,796	7,339
Service charges - sanitation revenue	2	–	1,601	1,420	2,745	2,745	2,745	–	3,179	3,402	3,640
Service charges - refuse revenue	2	–	3,035	3,354	3,737	3,832	3,832	–	4,159	4,450	4,761
Service charges - other			274	332	347	290	290		326	346	353
Rental of facilities and equipment			163	235	178	516	516		1,246	1,251	1,256
Interest earned - external investments			152	119	150	150	150		150	160	165
Interest earned - outstanding debtors			999	975	968	597	597		940	965	985
Dividends received											
Fines			79	72	142	74	74		81	87	93
Licences and permits			1,231	1,153	1,227	1,192	1,192		1,313	1,359	1,391
Agency services											
Transfers recognised - operational			23,687	33,600	23,692	24,048	24,048		24,411	23,853	24,067
Other revenue	2	–	261	524	922	671	671	–	379	360	362
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		–	52,668	66,233	62,423	62,564	62,564	–	67,953	70,718	74,508

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the municipality. Rates and service charge revenues comprise more than half of the total revenue mix. In the 2013/14 financial year, revenue from rates and services charges totals to R39 107 773 and the funds receive from grants total to R24 411 000. This growth can be mainly

attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity. The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

See graphic below for the revenue contributions:



The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3: Operating Transfers and Grant Receipts

NC065 Hantam - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		–	17,630	19,406	22,314	19,356	19,356	23,852	23,294	23,508
Local Government Equitable Share										
Local Government Equitable Share			15,680	17,166	20,014	17,056	17,056	20,312	20,560	20,591
Finance Management			1,200	1,450	1,500	1,500	1,500	1,650	1,800	1,950
Municipal Systems Improvement			750	790	800	800	800	890	934	967
EPWP Incentive								1,000		
Other transfers/grants [insert description]										
Provincial Government:		–	260	399	378	378	378	559	559	559
Sport and Recreation			260	399	378	378	378	559	559	559
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	–	17,890	19,805	22,692	19,734	19,734	24,411	23,853	24,067

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of Eskom bulk tariffs are far beyond the mentioned inflation target.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. Within this framework the municipality has undertaken the tariff setting process relating to service charges as follows.

1.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2008 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). Due to the new valuations the platform is increased to R35 000.
- State department granted 20 per cent of the value of a property.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2013/14 financial year based on the new valuation roll from 1 July 2013 is contained below:

Table 1: Comparison of proposed rates to levied for the 2013/14 financial year

Category	Current Tariff (1 July 2012)	Proposed tariff (from 1 July 2012)
	c	C
Residential properties	0.0098293	0.00884543
State owned properties	0.0098293	0.00884543
Business & Commercial	0.0098293	0.00884543
Agricultural	0.0005835	0.00058350
Vacant land	0.0098293	0.00884543
Municipal rateable	0	0
Industrial	0.0098293	0.00884543
Non-permitted use	0	0
Public benefit organisation properties	0.0098293	0.00884543

Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

A tariff increase of 5.6 per cent from 1 July 2013 for water is proposed.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 2 Proposed Water Tariffs

CATEGORY	CURRENT TARIFFS 2012/13	PROPOSED TARIFFS 2013/14
	Rand per kℓ	Rand per kℓ
Basic Fee	56.77	59.95
0 – 6kl (Indigents)	Free	Free
0 – 3KL	1.60	1.69
0 – 6KL	3.20	3.38
6 – 30KL	4.13	4.36
30 – 40KL	4.24	4.48
40 – 60KL	4.54	4.79
60kl and more	4.59	4.85

Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure of 11.03 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2013.

Our proposed tariff increase in the sale of electricity is 7 per cent. An application for the increase is forward to NERSA.

All indigents will receive 50 kWh free of charge.

CATEGORY	CURRENT TARIFFS 2012/2013	PROPOSED TARIFFS 2013/2014
Basic Fees 30 Ampere and Less	134.97	144.42
Basic Fees 30 – 40 Ampere	260.34	278.56
Up to 60 Ampere	317.44	339 .66
Households per KWH: 0 – 699	1.08	1.16
Households per KWH: 700 plus	1.15	1.23
Business per KWH: 0 -699	1.08	1.16
Business per KWH: 700 plus	1.15	1.23
PRE-PAID ELECTRICITY	1.27	1.15

The reason for the decrease in the pre-paid rate is to encourage people to move to pre-paid meters, especially the high consumers and the non-payers. Furthermore will the conversation to pre-paid better our cash flow.

Sanitation

A tariff increase of 8 per cent is proposed and furthermore will we implement a R100.00 per month for each household with a septic tank. In other words the first pumping will be free of charge.

CATEGORY	CURRENT TARIFFS 2012/2013	PROPOSED TARIFFS 2013/2014
Monthly levy		100.00
Request for 2 nd pump	84.99	91.79
Linked to Sewerage System	48.38	52.25
Basic Sewerage System	8.05	8.69

Solid Waste

A tariff increase of 8 per cent is proposed. Currently solid waste removal is operating at a deficit. The reason is that we split Sanitation and Solid Waste for the blue/green drop purposes and with the split certain challenges were experienced.

CATEGORY	CURRENT TARIFFS 2012/2013	PROPOSED TARIFFS 2013/2014
Tariff per month	66.41	71.72
Indigents	Free	Free

Overall impact of tariff increases on households

NC065 Hantam - Supporting Table SA14 Household bills

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14 % incr.	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates					307.98	307.98	307.98	10.0%	338.78		
Electricity: Basic levy					260.34	260.34	260.34	8.0%	281.17		
Electricity: Consumption					601.56	601.56	601.56	8.0%	649.68		
Water: Basic levy					56.77	56.77	56.77	5.6%	59.95		
Water: Consumption					196.78	196.78	196.78	5.6%	207.80		
Sanitation					92.84	92.84	92.84	7.7%	108.48		
Refuse removal					66.41	66.41	66.41	8.0%	71.72		
Other											
sub-total		-	-	-	1 582.68	1 582.68	1 582.68	8.5%	1 717.58	-	-
VAT on Services					178.46	178.46	178.46		179.03		
Total large household bill:		-	-	-	1 761.14	1 761.14	1 761.14	7.7%	1 896.61	-	-
% increase/decrease			-	-	-	-	-	7.7%	(100.0%)	-	-

Overall impact of tariff increases on an Indigent household

Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy					56.77	56.77	56.77	5.6%	59.95		
Water: Consumption					16.52	16.52	16.52	5.6%	17.45		
Sanitation					64.28	64.28	64.28	8.0%	69.42		
Refuse removal					66.41	66.41	66.41	8.0%	71.72		
Other					(184.00)	(184.00)	(184.00)		(200.00)		
sub-total		-	-	-	19.98	19.98	19.98	(7.2%)	18.54	-	-
VAT on Services					28.56	28.56	28.56	#NAME?	30.60		
Total small household bill:		-	-	-	48.54	48.54	48.54	1.2%	49.14	-	-
% increase/decrease			-	-	-	-	-	1.2%	(100.0%)	-	-

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2013/14 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programmes aligned to the asset renewal strategy and backlog eradication plan

The following table is a high level summary of the 2013/14 budget and MTREF (classified per main type of operating expenditure):

Table 13 Summary of operating expenditure by standard classification item

NC065 Hantam - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type											
Employee related costs	2	–	20,707	22,021	25,836	24,379	24,379	–	26,414	28,732	31,246
Remuneration of councillors			1,955	2,062	2,226	2,207	2,207		2,361	2,526	2,703
Debt impairment	3		4,354	2,171	4,867	3,367	3,367		3,474	3,795	4,081
Depreciation & asset impairment	2	–	4,722	4,639	4,090	4,510	4,510	–	4,513	4,520	4,520
Finance charges			759	1,157	116	486	486		549	474	493
Bulk purchases	2	–	8,985	11,761	12,389	13,743	13,743	–	15,281	16,992	18,894
Other materials	8		1,658	1,850					4,165	3,559	3,772
Contracted services		–	733	931	290	381	381	–	321	344	362
Transfers and grants		–	335	304	287	277	277	–	292	320	349
Other expenditure	4, 5	–	10,434	11,729	16,950	17,674	17,674	–	14,860	15,742	16,715
Loss on disposal of PPE											
Total Expenditure		–	54,642	58,626	67,051	67,024	67,024	–	72,230	77,004	83,135

The budgeted allocation for employee related costs for the 2013/2014 year totals R25 707 826 which equals 35.7 per cent of the total operating expenditure. Based on the three year agreement, salary increases have been factored into this budget at a percentage increase of 6.85 percent plus a notch increase of 2.5 per cent. Employees who are already on the top notch will only receive the 6.85 per cent increase.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998).

The provision of debt impairment was determined based on an annual collection rate of 88% per cent and the Debt Write-off Policy of the municipality.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets register onto the register.

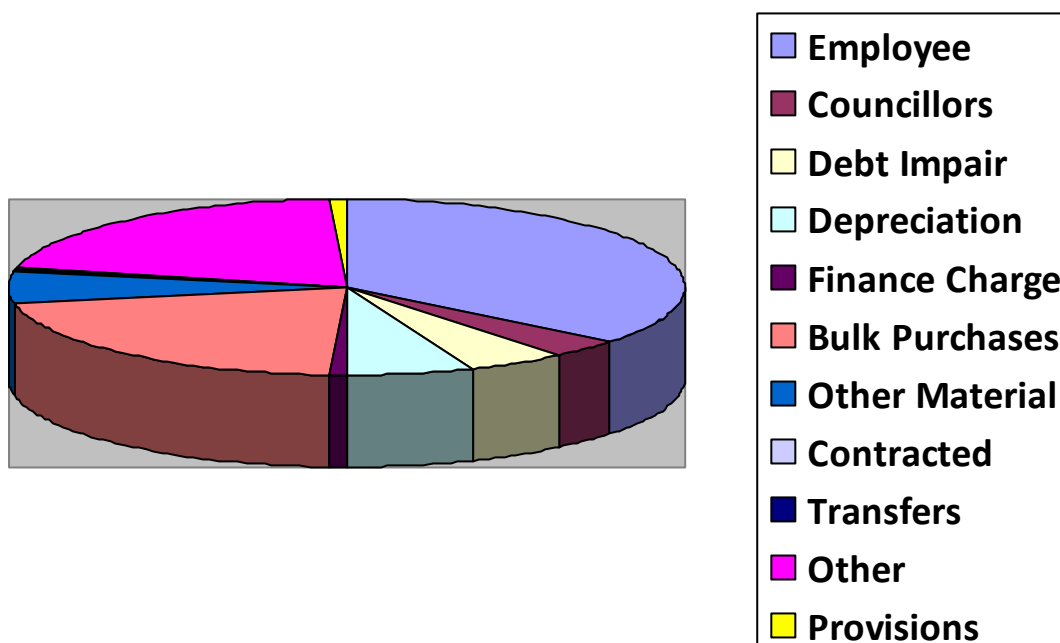
Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital) and the interest for the rehabilitation of landfill sites.

Bulk purchases are directly informed by the purchase of electricity from Eskom. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprises of amongst others the purchase of materials for maintenance, cleaning materials and chemicals. In line with the municipality repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the municipality's infrastructure.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved.

The following table gives a breakdown of the main expenditure categories for the 2013/14 financial year.



Repairs and Maintenance

The following table presents the repairs and maintenance per asset class

NC065 Hantam - Supporting Table SA34c Consolidated repairs and maintenance by asset class

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Infrastructure		-	-	-	1 573	2 584	2 584	2 610	2 232	2 351
Infrastructure - Road transport		-	-	-	500	1 030	1 030	830	585	640
Roads, Pavements & Bridges					500	1 030	1 030	830	585	640
Storm water										
Infrastructure - Electricity		-	-	-	570	655	655	790	734	760
Generation										
Transmission & Reticulation					570	655	655	790	734	760
Street Lighting										
Infrastructure - Water		-	-	-	424	780	780	850	770	805
Dams & Reservoirs										
Water purification										
Reticulation					424	780	780	850	770	805
Infrastructure - Sanitation		-	-	-	63	105	105	125	129	132
Reticulation					63	105	105	125	129	132
Sewerage purification										
Infrastructure - Other		-	-	-	16	14	14	15	15	15
Waste Management					16	14	14	15	15	15
Transportation	2									
Gas	3									
Other										
Community		-	-	-	417	382	382	988	705	735
Parks & gardens					66	86	86	264	87	90
Sportsfields & stadia					103	103	103	157	107	107
Swimming pools					37	37	37	37	40	40
Community halls								230	264	285
Libraries					105	75	75	76	76	76
Recreational facilities										
Fire, safety & emergency					61	61	61	7	7	7
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries					45	20	20	94	23	24
Social rental housing	8									
Other								125	102	107
Other assets		-	-	-	741	657	657	567	622	685
General vehicles										
Specialised vehicles	10	-	-	-	-	-	-	-	-	-
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment					495	488	488	567	622	685
Abattoirs										
Markets										
Civic Land and Buildings					236	160	160			
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)					10	10	10			
Other										
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	-	-	-	2 731	3 623	3 623	4 165	3 558	3 771

1.6 Capital Expenditure

The following table provides a breakdown of budgeted capital expenditure by vote

NC065 Hantam - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2013/14 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Present value
Capital expenditure	1							
Vote 1 - Executive and Council		-	-	-				
Vote 2 - Budget and Treasury Office		-	-	-				
Vote 3 - Corporate Services		100	-	-				
Vote 4 - Community and Social Services		-	-	-				
Vote 5 - Sport and Recreation		-	-	-				
Vote 6 - Public Safety		-	-	-				
Vote 7 - Planning and Development		-	-	-				
Vote 8 - Road Transport		5,000	-	-				
Vote 9 - Environmental Health		-	-	-				
Vote 10 - Electricity		1,728	-	-				
Vote 11 - Water		2,003	-	16,500				
Vote 12 - Waste Water Management		11,111	9,953	9,705				
Vote 13 - Solid Waste		-	-	-				
Vote 14 - Other		3,602	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		23,544	9,953	26,205	-	-	-	-

See annexure for detail capital programme

1.7 Annual Budget Tables

Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2013/14 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

Description	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands										
Financial Performance										
Property rates	–	4,221	4,386	4,830	4,831	4,831	–	6,186	6,855	7,594
Service charges	–	21,876	25,171	30,314	30,484	30,484	–	33,248	35,828	38,595
Investment revenue	–	152	119	150	150	150	–	150	160	165
Transfers recognised - operational	–	23,687	33,600	23,692	24,048	24,048	–	24,411	23,853	24,067
Other own revenue	–	2,733	2,958	3,437	3,051	3,051	–	3,958	4,022	4,087
Total Revenue (excluding capital transfers and contributions)	–	52,668	66,233	62,423	62,564	62,564	–	67,953	70,718	74,508
Employee costs	–	20,707	22,021	25,836	24,379	24,379	–	26,414	28,732	31,246
Remuneration of councillors	–	1,955	2,062	2,226	2,207	2,207	–	2,361	2,526	2,703
Depreciation & asset impairment	–	4,722	4,639	4,090	4,510	4,510	–	4,513	4,520	4,520
Finance charges	–	759	1,157	116	486	486	–	549	474	493
Materials and bulk purchases	–	10,643	13,611	12,389	13,743	13,743	–	19,446	20,550	22,666
Transfers and grants	–	335	304	287	277	277	–	292	320	349
Other expenditure	–	15,521	14,832	22,107	21,422	21,422	–	18,655	19,881	21,158
Total Expenditure	–	54,642	58,626	67,051	67,024	67,024	–	72,230	77,004	83,135
Surplus/(Deficit)	–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)
Capital expenditure & funds sources										
Capital expenditure	–	6,473	–	15,828	17,142	17,142	–	23,544	9,953	26,205
Transfers recognised - capital	–	5,817	–	15,828	16,026	16,026	–	21,486	9,953	26,205
Public contributions & donations	–	–	–	–	176	176	–	–	–	–
Borrowing	–	–	–	–	–	–	–	1,500	–	–
Internally generated funds	–	655	–	#REF!	940	940	–	558	–	–
Total sources of capital funds	–	6,473	–	15,828	17,142	17,142	–	23,544	9,953	26,205
Financial position										
Total current assets	–	20,537	12,977	17,912	13,928	13,928	–	15,159	16,427	18,116
Total non current assets	–	76,106	94,105	93,042	95,020	95,020	–	120,546	130,679	152,364
Total current liabilities	–	20,861	14,467	1,831	68	68	–	1,516	1,414	3,531
Total non current liabilities	–	12,801	13,654	9,643	9,643	9,643	–	19,546	20,301	21,086
Community wealth/Equity	–	62,981	78,962	99,479	99,237	99,237	–	114,642	125,391	145,863
Cash flows										
Net cash from (used) operating	11,026	9,977	7,648	17,136	14,192	14,192	–	21,427	15,531	24,979
Net cash from (used) investing	(10,110)	(7,182)	(14,706)	(15,828)	(16,576)	(16,576)	–	(21,484)	(14,653)	(26,205)
Net cash from (used) financing	16	(573)	(554)	(482)	(482)	(482)	–	759	26	27
Cash/cash equivalents at the year end	1,277	3,499	(4,113)	2,533	(1,160)	(1,160)	1,707	(458)	446	(752)
Cash backing/surplus reconciliation										
Cash and investments available	–	9,319	1,707	4,167	224	224	–	(990)	(861)	(2,952)
Application of cash and investments	–	(4,724)	(16,113)	(11,234)	(13,348)	(13,348)	–	(12,907)	(14,035)	(15,522)
Balance - surplus (shortfall)	–	14,043	17,819	15,401	13,572	13,572	–	11,917	13,174	12,570
Asset management										
Asset register summary (WDV)	–	12,100	12,167	12,100	12,100	12,100	12,167	12,167	12,167	12,167
Depreciation & asset impairment	–	4,722	4,639	4,090	4,510	4,510	4,513	4,513	4,520	4,520
Renewal of Existing Assets	–	–	–	–	–	–	–	–	–	–
Repairs and Maintenance	–	–	–	2,731	3,623	3,623	4,165	4,165	3,558	3,771
Free services										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	–	–	–	–	–	–	9,785	9,785	–	–
Households below minimum service level										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipalities budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget

NC065 Hantam - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1									
Revenue - Standard										
Governance and administration		-	15,061	19,554	20,914	21,196	21,196	23,061	24,756	25,068
Executive and council		-	628	616	1,152	1,221	1,221	1,569	1,810	1,876
Budget and treasury office		-	6,512	8,249	7,501	7,431	7,431	9,046	9,919	10,846
Corporate services		-	7,921	10,689	12,261	12,544	12,544	12,447	13,027	12,345
Community and public safety		-	1,953	1,526	569	509	509	967	679	679
Community and social services		-	1,867	1,415	405	399	399	653	581	581
Sport and recreation		-	86	98	164	110	110	315	98	98
Public safety		-	-	12	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	1,878	4,323	3,036	1,868	1,868	1,791	1,547	1,592
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	1,370	4,122	3,004	1,835	1,835	1,755	1,510	1,554
Environmental protection		-	508	201	32	33	33	36	37	38
Trading services		-	33,775	40,830	37,893	38,991	38,991	42,134	43,737	47,170
Electricity		-	15,612	20,077	20,991	21,162	21,162	23,057	24,317	26,246
Water		-	7,408	10,291	7,730	8,063	8,063	8,063	8,355	9,037
Waste water management		-	10,756	10,462	2,749	2,749	2,749	5,194	5,070	5,441
Waste management		-	-	-	6,422	7,017	7,017	5,820	5,995	6,446
Other	4	-	-	-	11	-	-	-	-	-
Total Revenue - Standard	2	-	52,668	66,233	62,423	62,564	62,564	67,953	70,718	74,508
Expenditure - Standard										
Governance and administration		-	16,537	17,665	19,786	17,987	17,987	20,014	21,679	23,319
Executive and council		-	6,036	6,335	7,032	6,958	6,958	7,433	8,038	8,580
Budget and treasury office		-	5,823	6,690	6,954	5,893	5,893	6,779	7,368	7,972
Corporate services		-	4,678	4,641	5,801	5,136	5,136	5,802	6,273	6,768
Community and public safety		-	2,357	2,399	2,734	2,868	2,868	3,583	3,443	3,611
Community and social services		-	1,553	1,805	1,883	1,977	1,977	2,286	2,327	2,450
Sport and recreation		-	774	557	779	824	824	1,230	1,046	1,087
Public safety		-	29	37	71	67	67	68	71	74
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	5,603	6,013	7,149	6,561	6,561	6,545	6,745	7,284
Planning and development		-	318	335	360	363	363	401	435	474
Road transport		-	5,109	5,528	6,602	6,048	6,048	5,983	6,137	6,625
Environmental protection		-	176	150	187	150	150	160	172	184
Trading services		-	29,376	31,674	36,963	38,752	38,752	41,119	44,305	48,110
Electricity		-	15,448	16,808	20,491	21,382	21,382	22,953	25,119	27,601
Water		-	6,295	6,632	7,209	7,269	7,269	7,814	8,200	8,748
Waste water management		-	7,633	8,234	5,321	3,198	3,198	4,336	4,630	4,962
Waste management		-	-	-	3,943	6,902	6,902	6,015	6,356	6,799
Other	4	-	770	874	419	856	856	970	832	812
Total Expenditure - Standard	3	-	54,642	58,626	67,051	67,024	67,024	72,230	77,004	83,135
Surplus/(Deficit) for the year		-	(1,974)	7,607	(4,628)	(4,460)	(4,460)	(4,277)	(6,286)	(8,627)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
- Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function.

NC065 Hantam - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Notes: Hantam Table A5 Budgeted Financial Performance (Revenue and Expenditure by municipal vote)										
Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Revenue by Vote	1									
Vote 1 - Executive and Council		–	628	616	1,152	1,221	1,221	1,569	1,810	1,876
Vote 2 - Budget and Treasury Office		–	6,512	8,249	7,501	7,431	7,431	9,046	9,919	10,846
Vote 3 - Corporate Services		–	7,921	10,689	12,261	12,544	12,544	12,447	13,027	12,345
Vote 4 - Community and Social Services		–	1,867	1,415	405	399	399	653	581	581
Vote 5 - Sport and Recreation		–	86	98	164	110	110	315	98	98
Vote 6 - Public Safety		–	–	12	–	–	–	–	–	–
Vote 7 - Planning and Development		–	–	–	–	–	–	–	–	–
Vote 8 - Road Transport		–	1,370	4,122	3,004	1,835	1,835	1,755	1,510	1,554
Vote 9 - Environmental Health		–	508	201	32	33	33	36	37	38
Vote 10 - Electricity		–	15,612	20,077	20,991	21,162	21,162	23,057	24,317	26,246
Vote 11 - Water		–	7,408	10,291	7,730	8,063	8,063	8,063	8,355	9,037
Vote 12 - Waste Water Management		–	10,756	10,462	5,430	2,749	2,749	5,194	5,070	5,441
Vote 13 - Solid Waste		–	–	–	3,742	7,017	7,017	5,820	5,995	6,446
Vote 14 - Other		–	–	–	11	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	–	52,668	66,233	62,423	62,564	62,564	67,953	70,718	74,508
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive and Council		–	6,036	6,335	7,032	6,958	6,958	7,433	8,038	8,580
Vote 2 - Budget and Treasury Office		–	5,823	6,690	6,954	5,893	5,893	6,779	7,368	7,972
Vote 3 - Corporate Services		–	4,678	4,641	5,801	5,136	5,136	5,802	6,273	6,768
Vote 4 - Community and Social Services		–	1,553	1,805	1,883	1,977	1,977	2,286	2,327	2,450
Vote 5 - Sport and Recreation		–	774	557	779	824	824	1,230	1,046	1,087
Vote 6 - Public Safety		–	29	37	71	67	67	68	71	74
Vote 7 - Planning and Development		–	318	335	360	363	363	401	435	474
Vote 8 - Road Transport		–	5,109	5,528	6,602	6,048	6,048	5,983	6,137	6,625
Vote 9 - Environmental Health		–	176	150	187	150	150	160	172	184
Vote 10 - Electricity		–	15,448	16,808	20,491	21,382	21,382	22,953	25,119	27,601
Vote 11 - Water		–	6,295	6,632	7,209	7,269	7,269	7,814	8,200	8,748
Vote 12 - Waste Water Management		–	7,633	8,234	5,321	3,198	3,198	4,336	4,630	4,962
Vote 13 - Solid Waste		–	–	–	3,943	6,902	6,902	6,015	6,356	6,799
Vote 14 - Other		–	770	874	419	856	856	970	832	812
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	–	54,642	58,626	67,051	67,024	67,024	72,230	77,004	83,135
Surplus/(Deficit) for the year	2	–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	(4,277)	(6,286)	(8,627)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

NC065 Hantam - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue By Source												
Property rates	2	–	4,221	4,386	4,830	4,831	4,831	–	6,186	6,855	7,594	
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	–	12,824	15,821	17,821	17,963	17,963	–	19,292	20,835	22,502	
Service charges - water revenue	2	–	4,141	4,243	5,664	5,655	5,655	–	6,292	6,796	7,339	
Service charges - sanitation revenue	2	–	1,601	1,420	2,745	2,745	2,745	–	3,179	3,402	3,640	
Service charges - refuse revenue	2	–	3,035	3,354	3,737	3,832	3,832	–	4,159	4,450	4,761	
Service charges - other			274	332	347	290	290		326	346	353	
Rental of facilities and equipment			163	235	178	516	516		1,246	1,251	1,256	
Interest earned - external investments			152	119	150	150	150		150	160	165	
Interest earned - outstanding debtors			999	975	968	597	597		940	965	985	
Dividends received												
Fines			79	72	142	74	74		81	87	93	
Licences and permits			1,231	1,153	1,227	1,192	1,192		1,313	1,359	1,391	
Agency services												
Transfers recognised - operational			23,687	33,600	23,692	24,048	24,048		24,411	23,853	24,067	
Other revenue	2	–	261	524	922	671	671	–	379	360	362	
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)		–	52,668	66,233	62,423	62,564	62,564	–	67,953	70,718	74,508	
Expenditure By Type												
Employee related costs	2	–	20,707	22,021	25,836	24,379	24,379	–	26,414	28,732	31,246	
Remuneration of councillors			1,955	2,062	2,226	2,207	2,207		2,361	2,526	2,703	
Debt impairment	3		4,354	2,171	4,867	3,367	3,367		3,474	3,795	4,081	
Depreciation & asset impairment	2	–	4,722	4,639	4,090	4,510	4,510	–	4,513	4,520	4,520	
Finance charges			759	1,157	116	486	486		549	474	493	
Bulk purchases	2	–	8,985	11,761	12,389	13,743	13,743	–	15,281	16,992	18,894	
Other materials	8		1,658	1,850					4,165	3,559	3,772	
Contracted services		–	733	931	290	381	381	–	321	344	362	
Transfers and grants		–	335	304	287	277	277	–	292	320	349	
Other expenditure	4, 5	–	10,434	11,729	16,950	17,674	17,674	–	14,860	15,742	16,715	
Loss on disposal of PPE												
Total Expenditure		–	54,642	58,626	67,051	67,024	67,024	–	72,230	77,004	83,135	
Surplus/(Deficit)		–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)	
Transfers recognised - capital												
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–	–
Contributed assets												
Surplus/(Deficit) after capital transfers & contributions		–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)	
Taxation												
Surplus/(Deficit) after taxation		–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)	
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)	
Share of surplus/ (deficit) of associate	7											
Surplus/(Deficit) for the year		–	(1,974)	7,607	(4,628)	(4,460)	(4,460)	–	(4,277)	(6,286)	(8,627)	

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R62 563 606 in 2012/13 and increase to R67 954 448 by 2013/14.
2. Revenue to be generated from property rates is R6 185 674 in the 2013/14 financial year. It remains relatively constant over the medium-term and tariff increases have been factored 10 per cent.
3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the municipality. This growth can mainly be attributed to the increase in the bulk prices of electricity.
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are decreasing rapidly over the MTREF. The municipality is grant dependent and is it important to increase the equitable share every year.

Figure 1 Expenditure by major type

5. Bulk purchases have significantly increased over the 2009/10 to 2015/16 period. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

NC065 Hantam - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-	-
Vote 9 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	-	-	-	-	-	-	-
Vote 11 - Water		-	-	-	-	-	-	-	-	-	-
Vote 12 - Waste Water Management		-	-	-	-	-	-	-	-	-	-
Vote 13 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 14 - Other		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure, to be appropriated	2										
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	97	-	30	30	30	-	100	-	-
Vote 4 - Community and Social Services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	50	31	31	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Planning and Development		-	-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	351	-	4,042	4,042	4,042	-	5,000	-	-
Vote 9 - Environmental Health		-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	2,450	2,626	2,626	-	1,728	-	-
Vote 11 - Water		-	1,537	-	8,886	9,186	9,186	-	2,003	-	16,500
Vote 12 - Waste Water Management		-	3,762	-	-	1,127	1,127	-	11,111	9,953	9,705
Vote 13 - Solid Waste		-	-	-	-	-	-	-	-	-	-
Vote 14 - Other		-	726	-	370	100	100	-	3,602	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	6,473	-	15,828	17,142	17,142	-	23,544	9,953	26,205
Total Capital Expenditure - Vote		-	6,473	-	15,828	17,142	17,142	-	23,544	9,953	26,205
Capital Expenditure - Standard											
Governance and administration		-	97	-	30	30	30	-	100	-	-
Executive and council											
Budget and treasury office											
Corporate services			97		30	30	30		100		
Community and public safety		-	-	-	50	31	31	-	-	-	-
Community and social services											
Sport and recreation					50	31	31				
Public safety											
Housing											
Health											
Economic and environmental services		-	351	-	4,042	4,042	4,042	-	5,000	-	-
Planning and development											
Road transport			351		4,042	4,042	4,042		5,000		
Environmental protection											
Trading services		-	5,299	-	11,336	12,939	12,939	-	14,842	9,953	26,205
Electricity					2,450	2,626	2,626		1,728		
Water			1,537		8,886	9,186	9,186		2,003		16,500
Waste water management			3,762			1,127	1,127		11,111	9,953	9,705
Waste management											
Other			726		370	100	100		3,602		
Total Capital Expenditure - Standard	3	-	6,473	-	15,828	17,142	17,142	-	23,544	9,953	26,205
Funded by:											
National Government			5,817		14,743	16,026	16,026		13,498	9,953	26,205
Provincial Government											
District Municipality											
Other transfers and grants									7,988		
Transfers recognised - capital	4	-	5,817	-	15,828	16,026	16,026	-	21,486	9,953	26,205
Public contributions & donations	5					176	176				
Borrowing	6								1,500		
Internally generated funds			655		1,085	940	940		558		
Total Capital Funding	7	-	6,473	-	15,828	17,142	17,142	-	23,544	9,953	26,205

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

NC065 Hantam - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
Current assets											
Cash			9 319	1 707	917	(2 776)	(2 776)				
Call investment deposits	1	–	–	–	3 250	3 000	3 000	–	–	–	–
Consumer debtors	1	–	6 814	6 588	10 901	10 861	10 861	–	10 868	12 136	13 825
Other debtors			4 065	3 912	2 493	2 493	2 493		3 912	3 912	3 912
Current portion of long-term receivables				441							
Inventory	2		339	329	350	350	350		379	379	379
Total current assets		–	20 537	12 977	17 912	13 928	13 928	–	15 159	16 427	18 116
Non current assets											
Long-term receivables				1 665							
Investments											
Investment property			12 100	12 100	12 100	12 100	12 100		12 100	12 100	12 100
Investment in Associate											
Property, plant and equipment	3	–	64 006	80 273	80 942	82 920	82 920	–	108 378	118 511	140 197
Agricultural											
Biological				68					68	68	68
Intangible											
Other non-current assets											
Total non current assets		–	76 106	94 105	93 042	95 020	95 020	–	120 546	130 679	152 364
TOTAL ASSETS		–	96 643	107 082	110 953	108 948	108 948	–	135 705	147 106	170 480
LIABILITIES											
Current liabilities											
Bank overdraft	1								990	861	2 952
Borrowing	4	–	623	653	–	–	–	–	–	–	–
Consumer deposits			448	483	461	461	461		527	553	579
Trade and other payables	4	–	17 717	11 580	–	(1 283)	(1 283)	–	–	–	–
Provisions			2 072	1 751	1 370	890	890				
Total current liabilities		–	20 861	14 467	1 831	68	68	–	1 516	1 414	3 531
Non current liabilities											
Borrowing		–	2 179	1 561	1 790	1 790	1 790	–	1 184	1 184	1 184
Provisions		–	10 622	12 092	7 853	7 853	7 853	–	18 362	19 117	19 902
Total non current liabilities		–	12 801	13 654	9 643	9 643	9 643	–	19 546	20 301	21 086
TOTAL LIABILITIES		–	33 662	28 120	11 474	9 711	9 711	–	21 062	21 715	24 617
NET ASSETS	5	–	62 981	78 962	99 479	99 237	99 237	–	114 642	125 391	145 863
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			43 586	59 567	80 084	79 842	79 842		95 247	105 996	126 469
Reserves	4	–	19 395	19 395	19 395	19 395	19 395	–	19 395	19 395	19 395
Minorities' interests											
TOTAL COMMUNITY WEALTH/EQUITY	5	–	62 981	78 962	99 479	99 237	99 237	–	114 642	125 391	145 863

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- Table 66 is supported by an extensive table of notes (SA3 which can be found on page 102) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate

assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

NC065 Hantam - Table A7 Budgeted Cash Flows

WC065 Hantani - Table A7 Budgeted Cash Flows											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	62,872	53,423	66,843	32,358	34,663	34,663		37,894	40,846	43,997
Government - operating					23,692	20,910	20,910		24,411	23,853	24,067
Government - capital					14,743	14,743	14,743		20,086	14,653	26,205
Interest			206	152	119	150	150	150	150	160	165
Dividends											
Payments											
Suppliers and employees		(51,861)	(43,439)	(58,157)	(53,435)	(55,511)	(55,511)		(60,815)	(63,777)	(69,257)
Finance charges		(191)	(158)	(1,157)	(85)	(486)	(486)		(148)	(33)	(8)
Transfers and Grants	1				(287)	(277)	(277)		(150)	(170)	(190)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11,026	9,977	7,648	17,136	14,192	14,192	-	21,427	15,531	24,979
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		73									
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables				(2,106)							
Decrease (increase) in non-current investments		(155)	(710)								
Payments											
Capital assets		(10,028)	(6,473)	(12,600)	(15,828)	(16,576)	(16,576)		(21,484)	(14,653)	(26,205)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,110)	(7,182)	(14,706)	(15,828)	(16,576)	(16,576)	-	(21,484)	(14,653)	(26,205)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing									1,500		
Increase (decrease) in consumer deposits		19	26	34	20	20	20		24	26	27
Payments											
Repayment of borrowing		(3)	(599)	(588)	(502)	(502)	(502)		(765)		
NET CASH FROM/(USED) FINANCING ACTIVITIES		16	(573)	(554)	(482)	(482)	(482)	-	759	26	27
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	931	2,222	(7,612)	826	(2,867)	(2,867)	-	702	904	(1,199)
Cash/cash equivalents at the year end:	2	346	1,277	3,499	1,707	1,707	1,707	1,707	(1,160)	(458)	446
Cash/cash equivalents at the year end:	2	1,277	3,499	(4,113)	2,533	(1,160)	(1,160)	1,707	(458)	446	(752)

NC065 Hantam - Table A8 Cash backed reserves/accumulated surplus reconciliation

WC005 Namam - Table A0 Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	1,277	3,499	(4,113)	2,533	(1,160)	(1,160)	1,707	(458)	446	(752)
Other current investments > 90 days		(1,277)	5,820	5,820	1,634	1,384	1,384	(1,707)	(532)	(1,307)	(2,200)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	9,319	1,707	4,167	224	224	-	(990)	(861)	(2,952)
Application of cash and investments											
Unspent conditional transfers		-	6,388	1,369	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	(11,112)	(17,481)	(11,234)	(13,348)	(13,348)	-	(12,907)	(14,035)	(15,522)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	(4,724)	(16,113)	(11,234)	(13,348)	(13,348)	-	(12,907)	(14,035)	(15,522)
Surplus(shortfall)		-	14,043	17,819	15,401	13,572	13,572	-	11,917	13,174	12,570

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

NC065 Hantam - Table A9 Asset Management

2009/10 - 2015/16 Asset Management										
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	15,828	17,142	17,142	23,544	9,953	26,205
Infrastructure - Road transport		-	-	-	4,042	4,042	4,042	5,000	-	-
Infrastructure - Electricity		-	-	-	2,450	2,626	2,626	1,728	-	-
Infrastructure - Water		-	-	-	8,886	9,186	9,186	2,003	-	16,500
Infrastructure - Sanitation		-	-	-	-	1,127	1,127	11,111	9,953	9,705
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	15,378	16,981	16,981	19,842	9,953	26,205
Community		-	-	-	50	31	31	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	400	130	130	3,702	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	4,042	4,042	4,042	5,000	-	-
Infrastructure - Electricity		-	-	-	2,450	2,626	2,626	1,728	-	-
Infrastructure - Water		-	-	-	8,886	9,186	9,186	2,003	-	16,500
Infrastructure - Sanitation		-	-	-	-	1,127	1,127	11,111	9,953	9,705
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	15,378	16,981	16,981	19,842	9,953	26,205
Community		-	-	-	50	31	31	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	400	130	130	3,702	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class	2	-	-	-	15,828	17,142	17,142	23,544	9,953	26,205
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Infrastructure - Road transport										
Infrastructure - Electricity										
Infrastructure - Water										
Infrastructure - Sanitation										
Infrastructure - Other										
Infrastructure		-	-	-	-	-	-	-	-	-
Community										
Heritage assets										
Investment properties		-	12,100	12,100	12,100	12,100	12,100	12,100	12,100	12,100
Other assets										
Agricultural Assets		-	-	-	-	-	-	-	-	-
Biological assets		-	-	68	-	-	-	68	68	68
Intangibles		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	12,100	12,167	12,100	12,100	12,100	12,167	12,167	12,167
EXPENDITURE OTHER ITEMS										
<u>Depreciation & asset impairment</u>	3	-	4,722	4,639	4,090	4,510	4,510	4,513	4,520	4,520
<u>Repairs and Maintenance by Asset Class</u>		-	-	-	2,731	3,623	3,623	4,165	3,558	3,771
Infrastructure - Road transport		-	-	-	500	1,030	1,030	830	585	640
Infrastructure - Electricity		-	-	-	570	655	655	790	734	760
Infrastructure - Water		-	-	-	424	780	780	850	770	805
Infrastructure - Sanitation		-	-	-	63	105	105	125	129	132
Infrastructure - Other		-	-	-	16	14	14	15	15	15
Infrastructure		-	-	-	1,573	2,584	2,584	2,670	2,232	2,357
Community		-	-	-	417	382	382	988	705	735
Heritage assets		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Other assets	6, 7	-	-	-	741	657	657	567	622	685
TOTAL EXPENDITURE OTHER ITEMS		-	4,722	4,639	6,821	8,133	8,133	8,679	8,078	8,291
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%	0.0%	3.4%	4.4%	4.4%	3.8%	3.0%	2.7%
Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	23.0%	30.0%	30.0%	34.0%	29.0%	31.0%

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

Part 2 – Supporting Documentation

Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August) a time schedule that sets out the process to revise the IDP and prepare the budget.

IDP and Service Delivery and Budget Implementation Plan

The municipalities IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;

- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

Financial Modeling and Key Planning Drivers

As part of the compilation of the 2013/14 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2013/14 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Cash Flow Management Strategy
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 51,54 and 67 has been taken into consideration in the planning and prioritisation process.

Community Consultation

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

- The affordability of tariff increases, especially electricity, was raised on numerous occasions. This concern was also raised by organized business as an obstacle to economic growth;
- Pensioners cannot afford the tariff increases due to low annual pension increases; and
- During the community consultation process large sections of the community made it clear that they are not in favour of any further tariff increases to fund additional budget requests. They indicated that the municipality must do more to ensure efficiencies and value for money.
- The final Eskom bulk tariff increase, applicable to municipalities from 1 July 2013, was factored into the proposed consumer tariffs, applicable from 1 July 2012. This resulted in an increase of 7.5 per cent.

Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform,

which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPIS);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

Table 3 IDP Strategic Objectives

2012/123 Financial Year	2013/14 MTREF
1. The provision of quality basic services and infrastructure	1. Provision of quality basic services and infrastructure
2. Acceleration of higher and shared economic growth and development	2. Economic growth and development that leads to sustainable job creation
3. Fighting of poverty, building clean, healthy, safe and sustainable communities	3.1 Fight poverty and build clean, healthy, safe and sustainable communities
	3.2 Integrated Social Services for empowered and sustainable communities
4. Fostering participatory democracy and adherence to Batho Pele principles through a caring, accessible and accountable service	4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service
5. Good governance, Financial viability and institutional governance	5.1 Promote sound governance
	5.2 Ensure financial sustainability
	5.3 Optimal institutional transformation to ensure capacity to achieve set objectives

The key performance areas can be summarised as follows against the five strategic objectives:

1. Provision of quality basic services and infrastructure which includes, amongst others:
 - Provide electricity;
 - Provide water;
 - Provide sanitation;
 - Provide waste removal;
 - Provide roads and storm water;
 - Maintaining the infrastructure of the municipality.

- 3.2 Integrated Social Services for empowered and sustainable communities
 - Work with provincial departments to ensure the development of community infrastructure such as schools and clinics is properly co-ordinated with the informal settlements upgrade programme
- 4. Foster participatory democracy and Batho Pele principles through a caring, accessible and accountable service by:
 - Optimising effective community participation in the ward committee system; and
 - Implementing the municipality in the revenue management strategy.
- 5.1 Promote sound governance through:
 - Publishing the outcomes of all tender processes on the municipal website
- 5.2 Ensure financial sustainability through:
 - Reviewing the use of contracted services
 - Continuing to implement the infrastructure renewal strategy and the repairs and maintenance plan
- 5.3 Optimal institutional transformation to ensure capacity to achieve set objectives
 - Review of the organizational structure to optimize the use of personnel;

The 2013/14 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure. Table 4MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

NC065 Hantam - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

INC065 Hantam - Supporting Table SA4 Reconciliation of IDP Strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Municipal Transformation and Organisational Development	An effective Corporate System and Performance Management	1			7,921	10,689	12,261	12,544	12,544	12,447	13,027	12,345
Infrastructure Development and Sustainable Service Delivery	Provision of good quality water, electricity, sanitation and refuse removal services and maintaining the roads infrastructure				33,818	43,703	39,459	39,495	39,495	42,434	43,737	47,170
Local Economical Development	Ensuring labour intensive projects in delivering services and maintaining infrastructure and services											
Effective and sound financial viability	Effective utilisation of revenue to promote sound financial stability				6,512	8,249	7,501	7,431	7,431	9,046	9,919	10,846
Healthy communities	Maintain recreational facilities				86	98	164	110	110	315	98	98
	Maintain all community facilities				1,867	1,415	405	399	399	653	581	581
	Safety				1,836	1,462	1,480	1,364	1,364	1,491	1,547	1,592
Good Governance	Maintain a system of public participation and an effective transparent public administration				628	616	1,152	1,221	1,221	1,569	1,810	1,876
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	-	52,668	66,233	62,423	62,564	62,564	67,953	70,718	74,508

NC065 Hantam - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand													
Municipal Transformation and Organisational Development	An effective Corporate System and Performance Management				4,678	4,641	5,801	5,136	5,136	5,802	6,273	6,768	
Infrastructure Development and Sustainable Service Delivery	Provision of good quality water, electricity, sanitation and refuse removal services and maintaining the roads infrastructure				33,340	36,132	41,716	43,490	43,490	45,677	48,740	52,832	
Local Economical Development	Ensuring labour intensive projects in delivering services and maintaining infrastructure and services				318	335	360	363	363	401	435	474	
Effective and sound financial viability	Effective utilisation of revenue to promote sound financial stability				5,823	6,690	6,954	5,893	5,893	6,779	7,368	7,972	
Healthy communities	Maintain recreational facilities				774	557	779	824	824	1,230	1,046	1,087	
	Maintain all community facilities				1,553	1,805	1,883	1,977	1,977	2,286	2,327	2,450	
	Safety				2,120	2,131	2,525	2,383	2,383	2,623	2,776	2,973	
Good Governance	Maintain a system of public participation and an effective transparent public administration				6,036	6,335	7,032	6,958	6,958	7,433	8,038	8,580	
Allocations to other priorities													
Total Expenditure				1	-	54,642	58,626	67,051	67,024	67,024	72,230	77,004	83,135

NC065 Hantam - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand												
Municipal Transformation and Organisational Development	An effective Corporate System and Performnace Management	A			97		30	30	30	100		
Infrastructure Development and Sustainable Service Delivery	Provision of good quality water, electricity, sanitation and refuse removal services and maintaining the roads infrastructure	B			6,376		15,748	17,081	17,081	23,444	9,953	26,205
		C										
Local Economical Development	Ensuring labour intensive projects in delivering services and maintaining infrastructure and services	D										
		E										
Effective and sound financial viability	Effective utilisation of revenue to promote sound financial stability	F										
		G										
Healthy communities	Maintain recreational facilities	H					50	31	31			
	Maintain all community facilities	I										
	Safety	J										
Good Governance	Maintain a system of public participation and an effective transparent public administration	K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	–	6,473	–	15,828	17,142	17,142	23,544	9,953	26,205

Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and must implement a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

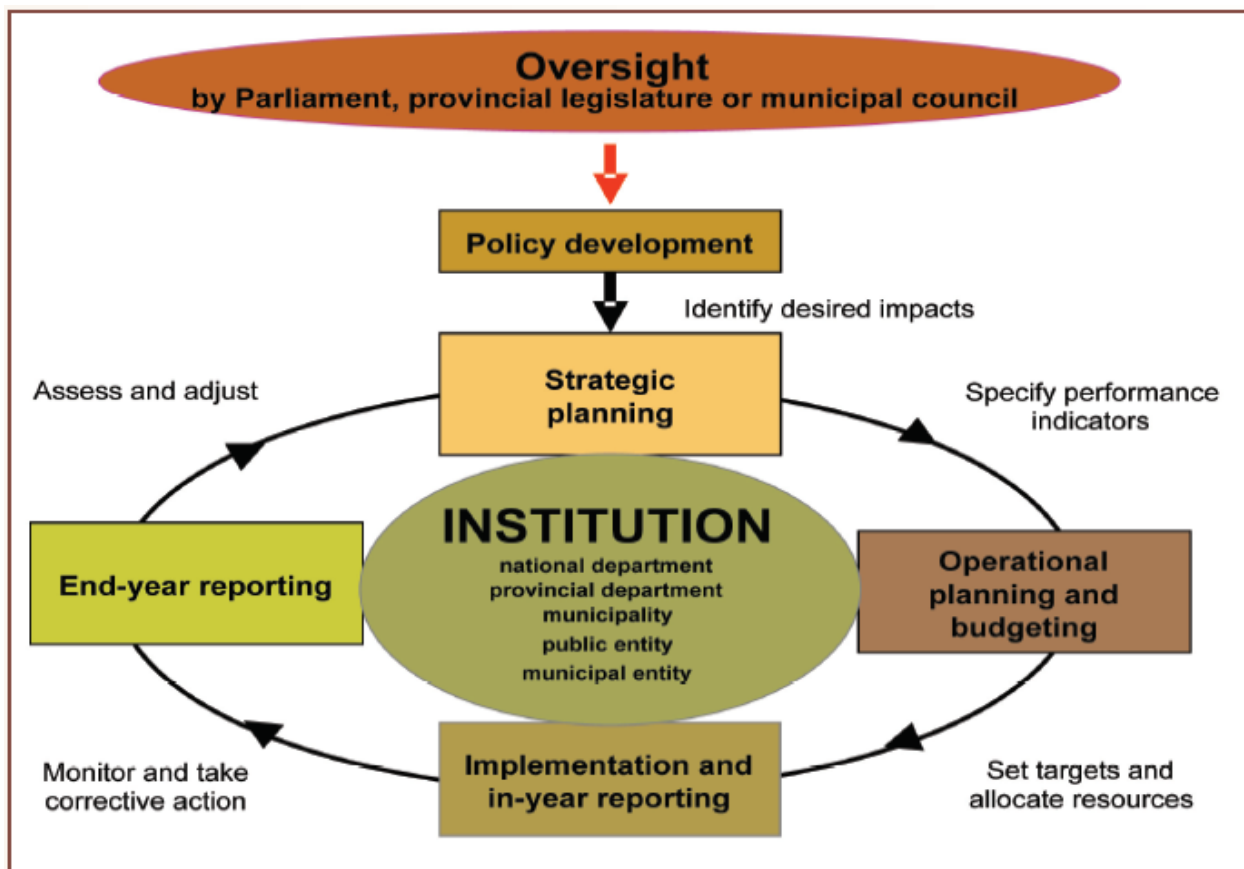


Figure 2 Planning, budgeting and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

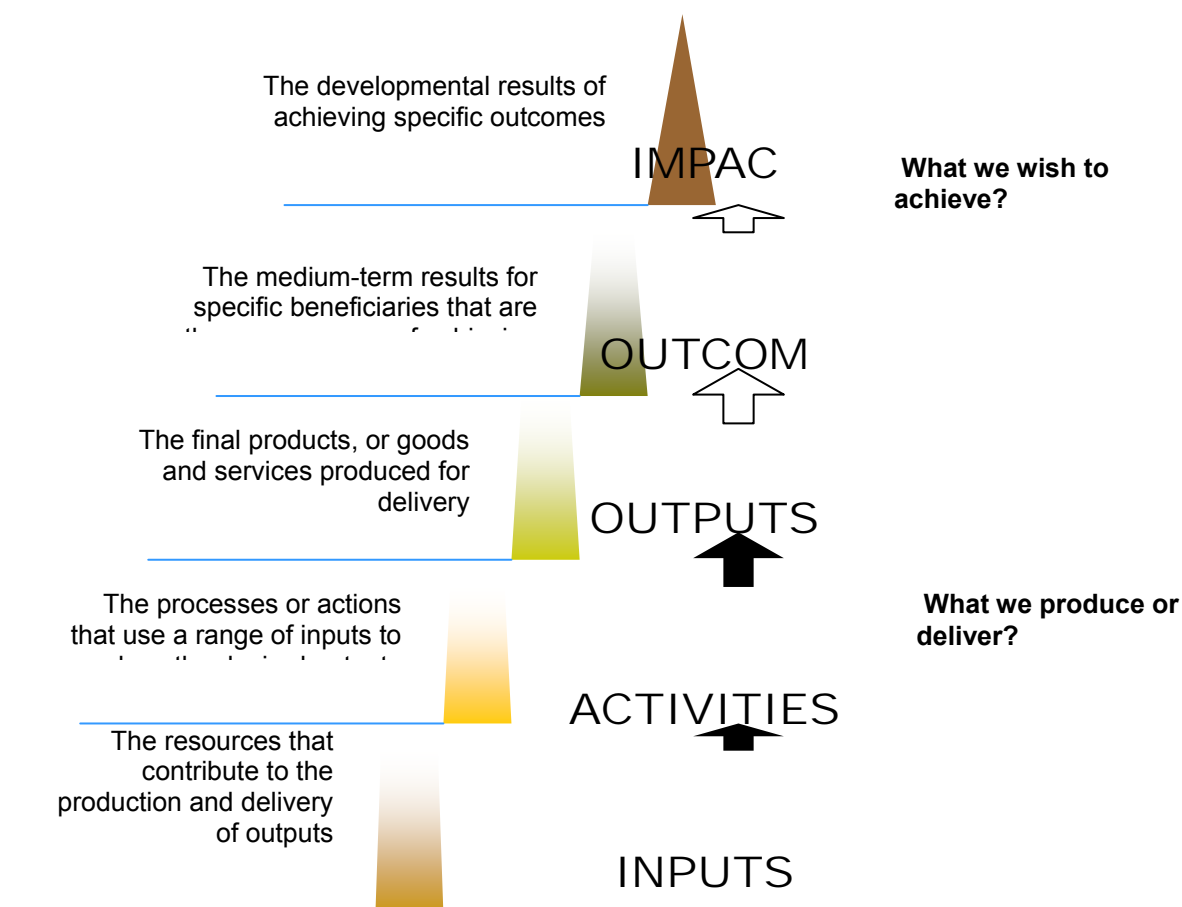


Figure 3 Definition of performance information concepts

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

The following table sets out the municipalities main performance objectives and benchmarks for the 2013/14 MTREF.

Table 5MBRR Table SA8 - Performance indicators and benchmarks

NC065 Hantam - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.0%	2.5%	3.0%	0.9%	1.5%	1.5%	0.0%	1.4%	0.6%	0.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.0%	4.7%	5.3%	1.6%	2.6%	2.6%	0.0%	2.3%	1.0%	1.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	11.2%	8.0%	9.2%	9.2%	9.2%	0.0%	6.1%	6.1%	6.1%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	–	1.0	0.9	9.8	204.8	204.8	–	10.0	11.6	5.1
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	–	1.0	0.9	9.8	204.8	204.8	–	10.0	11.6	5.1
Liquidity Ratio	Monetary Assets/Current Liabilities	–	0.4	0.1	2.3	3.3	3.3	–	–	–	–
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0.0%	185.3%	199.1%	83.9%	90.3%	90.3%	0.0%	87.3%	87.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	185.3%	205.6%	83.9%	90.3%	90.3%	0.0%	87.3%	87.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	0.0%	20.7%	19.0%	21.5%	21.3%	21.3%	0.0%	22.0%	23.0%	24.2%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		0.0%	258.6%	-183.0%	0.0%	110.6%	110.6%	0.0%	0.0%	0.0%	0.0%
<u>Other Indicators</u>											
	Total Volume Losses (kW)										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)										
	Total Volume Losses (kℓ)										
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	39.3%	33.2%	41.4%	39.0%	39.0%	0.0%	39.4%	41.3%	42.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	43.4%	0.0%	0.0%		41.9%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	4.4%	5.8%	5.8%		6.2%	5.1%	5.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.0%	10.4%	8.8%	6.7%	8.0%	8.0%	0.0%	7.4%	7.2%	6.8%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	–	41.0	50.0	59.4	59.4	59.4	–	267.7	279.0	299.9
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	0.0%	41.4%	36.7%	37.9%	37.3%	37.3%	0.0%	37.0%	37.2%	38.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(4 888.7)	1.0	(1.1)	0.6	(0.3)	(0.3)	–	(0.2)	(0.2)	(0.5)

Performance indicators and benchmarks

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, borrowing strategy is primarily informed by the affordability of debt repayments.

Safety of Capital

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, overdraft and tax provisions as a percentage of funds and reserves.
- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1.
- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 120 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation.
- The electricity distribution losses have been managed. (17 per cent 2011/2012). The initiatives to ensure these targets are achieved include managing illegal connections and theft of electricity by rolling out smart metering systems, including prepaid meters.
- The water distribution losses are still increasing in 2012/2013 (**27 per cent in 2011/12**)
- Employee costs as a percentage of operating revenue continues to increase over the MTREF. This is primarily owing to the high increase in bulk purchases which directly increase revenue levels, as well as increased allocation relating to operating grants and transfers.

- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the municipality strategy to ensure the management of its asset base.

Free Basic Services: basic social services package for indigent households

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2013/14 financial year 2 000 registered indigents have been provided for in the budget. In terms of the Municipality's indigent policy registered households are entitled to 6kl free water, 50 kwh of electricity, one free drain pumping and free waste removal equivalent to 85¢ once a week, as well as a discount on their property rates.

Providing clean water and managing waste water

The municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider.

The following is briefly the main challenges facing the municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;

Overview of budget related-policies

The municipality budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in 2001 and must be reviewed. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection rate.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed. The 2013/14 MTREF has been prepared on the basis of achieving an average debtors' collection rate of 88 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the municipality's cash levels.

Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities.

Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

Budget Policies

The Budget Policies aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the municipality's system of delegations.

Cash Management and Investment Policy

The aim of the policy is to ensure that the municipality surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

Tariff Policies

The municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery.

Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2013/14 MTREF with the emphasis on affordability and long-term sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e. Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);
- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available at the municipality, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

Overview of budget assumptions

External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the municipality's finances.

General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2013/14 MTREF:

- National Government macro economic targets;
- The general inflationary outlook and the impact on municipalities residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration.

Credit rating outlook

Table 6 Credit rating outlook

Security class	Currency	Rating	Annual rating 2012/13	Previous Rating
Short term	Rand	Prime -1		Prime -1
Long-term	Rand	Aa3		Aa3
Outlook	Rand	Negative		Negative

The rating definitions are:

- Short term : Prime – 1
Short-Term Debt Ratings (maturities of less than one year)
Prime-1 (highest quality)
- Long-term : Aa3
Defined as high-grade. "Aa" rated are judged to be of high quality and are subject to very low credit risk.

Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2012 and shall remain in force until 30 June 2013⁴. Year three is an across the board increase of 6.85 and 7 per cent.

Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2013/14 MTREF of which performance has been factored into the cash flow budget.

NC065 Hantam - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	17 630	19 406	22 314	19 356	19 356	23 852	23 294	23 508
Local Government Equitable Share										
Local Government Equitable Share			15 680	17 166	20 014	17 056	17 056	20 312	20 560	20 591
Finance Management			1 200	1 450	1 500	1 500	1 500	1 650	1 800	1 950
Municipal Systems Improvement			750	790	800	800	800	890	934	967
EPWP Incentive								1 000		
Other transfers/grants [insert description]										
Provincial Government:		-	260	399	378	378	378	559	420	425
Sport and Recreation			260	399	378	378	378	559	420	425
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	17 890	19 805	22 692	19 734	19 734	24 411	23 714	23 933
Capital Transfers and Grants										
National Government:		-	4 686	10 505	12 743	12 743	12 743	20 086	9 953	26 205
Municipal Infrastructure Grant (MIG)			4 686	10 505	12 743	12 743	12 743	12 098	9 953	9 705
Regional Bulk Infrastructure										16 500
Accelerated Infrastructure								7 988		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	-	4 686	10 505	12 743	12 743	12 743	20 086	9 953	26 205
TOTAL RECEIPTS OF TRANSFERS & GRANTS		-	22 576	30 310	35 435	32 477	32 477	44 497	33 667	50 138

NC065 Hantam - Supporting Table SA30 Budgeted monthly cash flow

Budget Year 2013/14													Medium Term Revenue and Expenditure Framework			
MONTHLY CASH FLOWS	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16	
R thousand																
Cash Receipts By Source													1			
Property rates	454	454	454	454	454	454	454	454	454	454	454	454	5,443	6,032	6,683	
Property rates - penalties & collection charges													-			
Service charges - electricity revenue	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	1,415	16,977	18,335	19,802	
Service charges - water revenue	461	461	461	461	461	461	461	461	461	461	461	461	5,537	5,980	6,459	
Service charges - sanitation revenue	233	233	233	233	233	233	233	233	233	233	233	233	2,798	2,993	3,203	
Service charges - refuse revenue	305	305	305	305	305	305	305	305	305	305	305	305	3,660	3,916	4,190	
Service charges - other	24	24	24	24	24	24	24	24	24	24	24	24	287	304	310	
Rental of facilities and equipment	91	91	91	91	91	91	91	91	91	91	91	91	1,096	1,101	1,105	
Interest earned - external investments	13	13	13	13	13	13	13	13	13	13	13	13	150	160	165	
Interest earned - outstanding debtors	45	45	45	45	45	45	45	45	45	45	45	45	540	579	600	
Dividends received													-			
Fines	6	6	6	6	6	6	6	6	6	6	6	6	70	75	80	
Licences and permits	98	98	98	98	98	98	98	98	98	98	98	98	1,181	1,230	1,260	
Agency services													-			
Transfer receipts - operational	8,531	2,940	559		7,003			300	5,078				24,411	23,853	24,067	
Other revenue	25	25	25	25	25	25	25	25	25	25	25	25	303	300	305	
Cash Receipts by Source	11,701	6,110	3,729	3,170	10,173	3,170	3,170	3,470	8,248	3,170	3,170	3,170	62,454	64,859	68,229	
Other Cash Flows by Source																
Transfer receipts - capital		10,888	1,950		1,210	3,900			1,950				188	20,086	14,653	26,205
Contributions recognised - capital & Contributed assets													-			
Proceeds on disposal of PPE													-			
Short term loans													-			
Borrowing long term/refinancing					1,500								-	1,500		
Increase (decrease) in consumer deposits	2	2	2	2	2	2	2	2	2	2	2	2	24	26	27	
Decrease (Increase) in non-current debtors													-			
Decrease (increase) other non-current receivables													-			
Decrease (increase) in non-current investments													-			
Total Cash Receipts by Source	11,703	17,000	5,681	3,172	12,885	7,072	3,172	3,472	10,200	3,172	3,172	3,360	84,064	79,538	94,461	
Cash Payments by Type																
Employee related costs	1,977	1,977	1,977	1,977	3,226	1,977	1,977	1,977	1,977	1,977	1,977	1,938	24,937	26,619	28,983	
Remuneration of councillors	191	191	191	191	191	191	191	191	191	191	191	191	2,290	2,400	2,568	
Finance charges	6	6	5	5	5	5	5	5	4	5	4	93	148	33	8	
Bulk purchases - Electricity	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	1,235	14,816	16,136	17,943	
Bulk purchases - Water & Sewer	1	1	1	1	1	1	1	1	1	1	1	1	6	6	6	
Other materials	337	337	337	337	337	337	337	337	337	337	337	337	4,040	3,381	3,583	
Contracted services	26	26	26	26	26	26	26	26	26	26	26	26	312	327	344	
Transfers and grants - other municipalities													-			
Transfers and grants - other	13	13	13	13	13	13	13	13	13	13	13	13	150	170	190	
Other expenditure	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,190	1,328	14,414	14,950	15,874	
Cash Payments by Type	4,974	4,974	4,973	4,973	6,222	4,973	4,973	4,972	4,973	4,972	4,972	5,161	61,114	64,022	69,499	
Other Cash Flows/Payments by Type																
Capital assets	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	1,665	3,165	21,484	14,653	26,205	
Repayment of borrowing	43	43	43	43	44	44	44	45	44	45	45	282	765			
Other Cash Flows/Payments													-			
Total Cash Payments by Type	6,682	6,682	6,682	6,682	7,931	6,682	6,682	6,682	6,682	6,682	6,682	8,609	83,363	78,675	95,704	
NET INCREASE/(DECREASE) IN CASH HELD	5,021	10,318	(1,001)	(3,510)	4,954	390	(3,510)	(3,210)	3,518	(3,510)	(3,510)	(5,249)	701	863	(1,240)	
Cash/cash equivalents at the month/year begin:	(1,160)	3,861	14,179	13,178	9,668	14,622	15,012	11,502	8,292	11,810	8,300	4,790	(1,160)	(459)	404	
Cash/cash equivalents at the month/year end:	3,861	14,179	13,178	9,668	14,622	15,012	11,502	8,292	11,810	8,300	4,790	(459)				

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provide for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

NC065 Hantam - Table A7 Budgeted Cash Flows

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other	1	62,872	53,423	66,843	32,358	34,663	34,663		37,894	40,846	43,997
Government - operating					23,692	20,910	20,910		24,411	23,853	24,067
Government - capital					14,743	14,743	14,743		20,086	14,653	26,205
Interest		206	152	119	150	150	150		150	160	165
Dividends											
Payments											
Suppliers and employees	1	(51,861)	(43,439)	(58,157)	(53,435)	(55,511)	(55,511)		(60,815)	(63,777)	(69,257)
Finance charges		(191)	(158)	(1,157)	(85)	(486)	(486)		(148)	(33)	(8)
Transfers and Grants					(287)	(277)	(277)		(150)	(170)	(190)
NET CASH FROM/(USED) OPERATING ACTIVITIES		11,026	9,977	7,648	17,136	14,192	14,192	-	21,427	15,531	24,979
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		73									
Decrease (Increase) in non-current debtors											
Decrease (increase) other non-current receivables				(2,106)							
Decrease (increase) in non-current investments		(155)	(710)								
Payments											
Capital assets		(10,028)	(6,473)	(12,600)	(15,828)	(16,576)	(16,576)		(21,484)	(14,653)	(26,205)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(10,110)	(7,182)	(14,706)	(15,828)	(16,576)	(16,576)	-	(21,484)	(14,653)	(26,205)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans											
Borrowing long term/refinancing									1,500		
Increase (decrease) in consumer deposits		19	26	34	20	20	20		24	26	27
Payments											
Repayment of borrowing		(3)	(599)	(588)	(502)	(502)	(502)		(765)		
NET CASH FROM/(USED) FINANCING ACTIVITIES		16	(573)	(554)	(482)	(482)	(482)	-	759	26	27
NET INCREASE/ (DECREASE) IN CASH HELD											
	2	931	2,222	(7,612)	826	(2,867)	(2,867)	-	702	904	(1,199)
Cash/cash equivalents at the year begin:		346	1,277	3,499	1,707	1,707	1,707	1,707	(1,160)	(458)	446
Cash/cash equivalents at the year end:	2	1,277	3,499	(4,113)	2,533	(1,160)	(1,160)	1,707	(458)	446	(752)

Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A deficit would indicate the cash-backed accumulated surplus that was/is available.

NC065 Hantam - Table A8 Cash backed reserves/accumulated surplus reconciliation

Notes Part III – Table A: Cash backed reserves/accumulated surplus reconciliation											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	1,277	3,499	(4,113)	2,533	(1,160)	(1,160)	1,707	(458)	446	(752)
Other current investments > 90 days		(1,277)	5,820	5,820	1,634	1,384	1,384	(1,707)	(532)	(1,307)	(2,200)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		-	9,319	1,707	4,167	224	224	-	(990)	(861)	(2,952)
Application of cash and investments											
Unspent conditional transfers		-	6,388	1,369	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	-	(11,112)	(17,481)	(11,234)	(13,348)	(13,348)	-	(12,907)	(14,035)	(15,522)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		-	(4,724)	(16,113)	(11,234)	(13,348)	(13,348)	-	(12,907)	(14,035)	(15,522)
Surplus(shortfall)		-	14,043	17,819	15,401	13,572	13,572	-	11,917	13,174	12,570

- Unspent conditional transfers (grants) are automatically assumed to be an obligation as the municipality has received government transfers in advance of meeting the conditions.

The following graph supplies an analysis of the trends relating cash and cash equivalents and the cash backed reserves/accumulated funds reconciliation over a seven year perspective.

Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

NC065 Hantam Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	1 277	3 499	(4 113)	2 533	(1 160)	(1 160)	1 707	(990)	(861)	(2 952)
Cash + investments at the yr end less applications - R'000	18(1)b	2	–	14 043	17 819	15 401	13 572	13 572	–	11 915	13 172	12 568
Cash year end/monthly employee/supplier payments	18(1)b	3	(4 888.7)	1.0	(1.1)	0.6	(0.3)	(0.3)	–	(0.2)	(0.2)	(0.5)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	–	(1 974)	7 607	(4 628)	(4 460)	(4 460)	–	(405)	(7 167)	(9 642)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(6.0%)	7.3%	12.9%	(5.5%)	(6.0%)	(106.0%)	3.6%	2.1%	2.1%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	0.0%	185.3%	205.6%	83.9%	90.3%	90.3%	0.0%	87.3%	87.4%	87.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	0.0%	16.6%	7.3%	13.8%	9.4%	9.4%	0.0%	8.7%	8.8%	8.8%
Capital payments % of capital expenditure	18(1)c,(19)	8	0.0%	100.0%	0.0%	100.0%	96.7%	96.7%	0.0%	86.8%	147.2%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								66.7%	71.3%	48.1%
Current consumer debtors % change - inc/(decr)	18(1)a	11	N.A.	0.0%	0.6%	22.4%	(0.3%)	0.0%	(100.0%)	10.7%	8.6%	10.5%
Long term receivables % change - inc/(decr)	18(1)a	12	N.A.	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(v)	13	0.0%	0.0%	0.0%	3.4%	4.4%	4.4%	0.0%	3.8%	3.0%	2.7%
Asset renewal % of capital budget	20(1)(v)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

High Level Outcome of Funding Compliance												
Total Operating Revenue		–	52 668	66 233	62 423	62 564	62 564	62 564	–	67 098	69 753	73 419
Total Operating Expenditure		–	54 642	58 626	67 051	67 024	67 024	67 024	–	72 014	76 920	83 061
Surplus/(Deficit) Budgeted Operating Statement		–	(1 974)	7 607	(4 628)	(4 460)	(4 460)	(4 460)	–	(4 915)	(7 167)	(9 642)
Surplus/(Deficit) Considering Reserves and Cash Backing		–	12 069	25 427	10 773	9 112	9 112	9 112	–	7 000	6 005	2 925
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Cash/cash equivalent position

The municipality forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25.

Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget.

Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position.

Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

All long term loans will be redeemed at the end of 30 June 2016. An application will be submitted for a loan of R1 500 000 for new vehicles.

Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for.

Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables.

Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. Further details in this regard are contained in Table 59 MBRR SA34b on page 89.

Expenditure on grants and reconciliations of unspent funds

NC065 Hantam - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		-	17,626	19,407	23,314	20,356	20,356	23,852	23,294	23,508
Local Government Equitable Share			15,680	17,166	20,014	17,056	17,056	20,312	20,560	20,591
Local Government Equitable Share										
Finance Management			1,196	1,451	1,500	1,500	1,500	1,650	1,800	1,950
Municipal Systems Improvement			750	790	800	800	800	890	934	967
EPWP Incentive					1,000	1,000	1,000	1,000		
Other transfers/grants [insert description]										
Provincial Government:		-	265	387	378	378	378	559	559	559
Sport and Recreation			265	387	378	378	378	559	559	559
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	17,891	19,795	23,692	20,734	20,734	24,411	23,853	24,067
Capital expenditure of Transfers and Grants										
National Government:		-	5,441	11,416	12,743	12,743	12,743	20,086	9,953	26,205
Municipal Infrastructure Grant (MIG)			5,441	11,416	12,743	12,743	12,743	12,098	9,953	9,705
Regional Bulk Infrastructure										16,500
Accelerated Infrastructure								7,988		
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		-	5,441	11,416	12,743	12,743	12,743	20,086	9,953	26,205
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	23,332	31,211	36,435	33,477	33,477	44,497	33,806	50,272

NC065 Hantam - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			5	9	8	8	8			
Current year receipts			1,950	2,240	2,300	2,300	2,300	23,852	23,294	23,508
Conditions met - transferred to revenue		-	1,946	2,241	2,308	2,308	2,308	23,852	23,294	23,508
Conditions still to be met - transferred to liabilities			9	8						
Provincial Government:										
Balance unspent at beginning of the year			21	16	28	28	28			
Current year receipts			260	399	378	378	378	559	559	559
Conditions met - transferred to revenue		-	265	387	406	406	406	559	559	559
Conditions still to be met - transferred to liabilities			16	28						
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	2,211	2,629	2,714	2,714	2,714	24,411	23,853	24,067
Total operating transfers and grants - CTBM	2	-	25	36	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year			4,233	3,477	2,567	2,567	2,567	1,400		
Current year receipts			4,686	10,505	12,743	12,743	12,743	12,098	9,953	26,205
Conditions met - transferred to revenue		-	5,441	11,416	15,310	15,310	15,310	13,498	9,953	26,205
Conditions still to be met - transferred to liabilities			3,477	2,567						
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts								7,988		
Conditions met - transferred to revenue		-	-	-	-	-	-	7,988	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	5,441	11,416	15,310	15,310	15,310	21,486	9,953	26,205
Total capital transfers and grants - CTBM	2	-	3,477	2,567	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		-	7,653	14,045	18,023	18,023	18,023	45,897	33,806	50,272
TOTAL TRANSFERS AND GRANTS - CTBM		-	3,503	2,602	-	-	-	-	-	-

2.8. Councillor and employee benefits

NC065 Hantam - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages					1,578			1,684		
Pension and UIF Contributions										
Medical Aid Contributions					526			550		
Motor Vehicle Allowance					122			127		
Cellphone Allowance										
Housing Allowances										
Other benefits and allowances										
Sub Total - Councillors		-	-	-	2,226	-	-	2,361	-	-
% increase	4	-	-	-	-	(100.0%)	-	-	(100.0%)	-
Senior Managers of the Municipality	2									
Basic Salaries and Wages					2,076			2,767		
Pension and UIF Contributions					263			164		
Medical Aid Contributions					150			45		
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3				536			486		
Cellphone Allowance	3									
Housing Allowances	3				39			24		
Other benefits and allowances	3				25			31		
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Municipality		-	-	-	3,089	-	-	3,517	-	-
% increase	4	-	-	-	-	(100.0%)	-	-	(100.0%)	-
Other Municipal Staff										
Basic Salaries and Wages					15,708			15,811		
Pension and UIF Contributions					2,883			2,876		
Medical Aid Contributions					962			1,065		
Overtime					774			946		
Performance Bonus										
Motor Vehicle Allowance	3				933			1,054		
Cellphone Allowance	3									
Housing Allowances	3				234			165		
Other benefits and allowances	3				306			314		
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Municipal Staff		-	-	-	21,802	-	-	22,231	-	-
% increase	4	-	-	-	-	(100.0%)	-	-	(100.0%)	-
Total Parent Municipality		-	-	-	27,116	-	-	28,109	-	-
Board Members of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Board Fees										
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		-	-	-	27,116	-	-	28,109	-	-
% increase	4	-	-	-	-	(100.0%)	-	-	(100.0%)	-
TOTAL MANAGERS AND STAFF	5.7	-	-	-	24,890	-	-	25,748	-	-

Table 48MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

NC065 Hantam - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	1	488,931		182,957			671,888
Chief Whip								-
Executive Mayor								-
Deputy Executive Mayor								-
Executive Committee								-
Total for all other councillors		8	1,195,008		494,176			1,689,184
Total Councillors	8	9	1,683,939	-	677,133			2,361,072
Senior Managers of the Municipality	5							
Municipal Manager (MM)			701,660	3,570	96,000	70,000		871,230
Chief Finance Officer			551,252	3,600	96,000			650,852
Head of Corporate Services			540,432	3,841	96,000			640,273
Head of Social Services			378,879	118,027	122,410	70,000		689,316
Head of Infrastructure Services			597,928	111,376	108,000			817,304
<i>List of each official with packages >= senior manager</i>								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	-	2,770,151	240,414	518,410	140,000		3,668,975

NC065 Hantam - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2011/12			Current Year 2012/13			Budget Year 2013/14		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			9			9			9		
Board Members of municipal entities	4										
Municipal employees	5										
Municipal Manager and Senior Managers	3		5	4	1	5	4	1	5	1	4
Other Managers	7										
Professionals			6	6	-	6	6	-	6	6	-
Finance											
Spatial/town planning											
Information Technology											
Roads											
Electricity			2	2		2	2		2	2	
Water			2	2		2	2		2	2	
Sanitation											
Refuse											
Other			2	2		2	2		2	2	
Technicians			8	8	-	8	8	-	8	8	-
Finance											
Spatial/town planning											
Information Technology											
Roads											
Electricity			2	2		2	2		2	2	
Water			1	1		1	1		1	1	
Sanitation											
Refuse											
Other			5	5		5	5		5	5	
Clerks (Clerical and administrative)			37	37	11	41	41	13			
Service and sales workers			80	80		66	66				
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators			10	10		10	10				
Elementary Occupations											
TOTAL PERSONNEL NUMBERS		9	155	145	12	145	135	14	28	15	4
% increase						(6.5%)	(6.9%)	16.7%	(80.7%)	(88.9%)	(71.4%)
Total municipal employees headcount	6, 10										
Finance personnel headcount	8, 10		28	28		28	28				
Human Resources personnel headcount	8, 10		115	115		131	121				

NC065 Hantam - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Revenue by Vote																
Vote 1 - Executive and Council		131	131	131	131	131	131	131	131	131	131	131	131	1,569	1,810	1,876
Vote 2 - Budget and Treasury Office		5,648	2,540											858	9,046	10,846
Vote 3 - Corporate Services		1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	12,447	13,027	12,345
Vote 4 - Community and Social Services		42	42	42	42	42	42	42	42	42	42	42	42	185	653	581
Vote 5 - Sport and Recreation		26	26	26	26	26	26	26	26	26	26	26	26	26	315	98
Vote 6 - Public Safety														-	-	-
Vote 7 - Planning and Development														-	-	-
Vote 8 - Road Transport		146	146	146	146	146	146	146	146	146	146	146	146	1,755	1,510	1,554
Vote 9 - Environmental Health		3	3	3	3	3	3	3	3	3	3	3	3	3	36	37
Vote 10 - Electricity		1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,788	23,057	24,317	26,246
Vote 11 - Water		672	672	672	672	672	672	672	672	672	672	672	672	672	8,063	8,355
Vote 12 - Waste Water Management		433	433	433	433	433	433	433	433	433	433	433	433	433	5,194	5,070
Vote 13 - Solid Waste		485	485	485	485	485	485	485	485	485	485	485	485	485	5,820	5,995
Vote 14 - Other														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Revenue by Vote		10,557	7,449	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	5,764	67,953	70,718	74,508
Expenditure by Vote to be appropriated																
Vote 1 - Executive and Council		617	617	617	617	617	617	617	617	617	617	617	617	641	7,433	8,038
Vote 2 - Budget and Treasury Office		568	568	568	568	568	568	568	568	568	568	568	568	528	6,779	7,368
Vote 3 - Corporate Services		484	484	484	484	484	484	484	484	484	484	484	484	484	5,802	6,273
Vote 4 - Community and Social Services		179	179	179	179	179	179	179	179	179	179	179	179	322	2,286	2,507
Vote 5 - Sport and Recreation		102	102	102	102	102	102	102	102	102	102	102	102	102	1,230	1,046
Vote 6 - Public Safety		6	6	6	6	6	6	6	6	6	6	6	6	6	68	71
Vote 7 - Planning and Development		33	33	33	33	33	33	33	33	33	33	33	33	33	401	435
Vote 8 - Road Transport		499	499	499	499	499	499	499	499	499	499	499	499	499	5,983	6,137
Vote 9 - Environmental Health		13	13	13	13	13	13	13	13	13	13	13	13	13	160	172
Vote 10 - Electricity		1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	22,953	25,119	27,601
Vote 11 - Water		651	651	651	651	651	651	651	651	651	651	651	651	651	7,814	8,200
Vote 12 - Waste Water Management		361	361	361	361	361	361	361	361	361	361	361	361	361	4,336	4,630
Vote 13 - Solid Waste		501	501	501	501	501	501	501	501	501	501	501	501	501	6,015	6,356
Vote 14 - Other		73	73	73	73	73	73	73	73	73	73	73	73	163	970	832
Vote 15 - [NAME OF VOTE 15]														-	-	-
Total Expenditure by Vote		6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,218	72,230	77,004	83,135
Surplus/(Deficit) before assoc.		4,556	1,448	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(454)	(4,277)	(6,286)
Taxation														-	-	-
Attributable to minorities														-	-	-
Share of surplus/ (deficit) of associate														-	-	-
Surplus/(Deficit)	1	4,556	1,448	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(454)	(4,277)	(6,286)

NC065 Hantam - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand																
Revenue - Standard																
<i>Governance and administration</i>		6,816	3,708	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	1,168	2,026	23,061	24,756	25,068
Executive and council		131	131	131	131	131	131	131	131	131	131	131	131	1,569	1,810	1,876
Budget and treasury office		5,648	2,540											858	9,046	10,846
Corporate services		1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	1,037	12,447	13,027	12,345
<i>Community and public safety</i>		69	69	69	69	69	69	69	69	69	69	69	212	967	679	679
Community and social services		42	42	42	42	42	42	42	42	42	42	42	185	653	581	581
Sport and recreation		26	26	26	26	26	26	26	26	26	26	26	26	315	98	98
Public safety														-	-	-
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		149	149	149	149	149	149	149	149	149	149	149	149	1,791	1,547	1,592
Planning and development														-	-	-
Road transport		146	146	146	146	146	146	146	146	146	146	146	146	1,755	1,510	1,554
Environmental protection		3	3	3	3	3	3	3	3	3	3	3	3	36	37	38
<i>Trading services</i>		3,523	3,523	3,523	3,523	3,523	3,523	3,523	3,523	3,523	3,523	3,523	3,377	42,134	43,737	47,170
Electricity		1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,934	1,788	23,057	24,317	26,246
Water		672	672	672	672	672	672	672	672	672	672	672	672	8,063	8,355	9,037
Waste water management		433	433	433	433	433	433	433	433	433	433	433	433	5,194	5,070	5,441
Waste management		485	485	485	485	485	485	485	485	485	485	485	485	5,820	5,995	6,446
Other														-	-	-
Total Revenue - Standard		10,557	7,449	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	4,909	5,764	67,953	70,718	74,508
Expenditure - Standard																
<i>Governance and administration</i>		1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,669	1,653	20,014	21,679	23,319
Executive and council		617	617	617	617	617	617	617	617	617	617	617	641	7,433	8,038	8,580
Budget and treasury office		568	568	568	568	568	568	568	568	568	568	568	528	6,779	7,368	7,972
Corporate services		484	484	484	484	484	484	484	484	484	484	484	484	5,802	6,273	6,768
<i>Community and public safety</i>		287	287	287	287	287	287	287	287	287	287	287	430	3,583	3,443	3,611
Community and social services		179	179	179	179	179	179	179	179	179	179	179	322	2,286	2,327	2,450
Sport and recreation		102	102	102	102	102	102	102	102	102	102	102	102	1,230	1,046	1,087
Public safety		6	6	6	6	6	6	6	6	6	6	6	6	68	71	74
Housing														-	-	-
Health														-	-	-
<i>Economic and environmental services</i>		545	545	545	545	545	545	545	545	545	545	545	545	6,545	6,745	7,284
Planning and development		33	33	33	33	33	33	33	33	33	33	33	33	401	435	474
Road transport		499	499	499	499	499	499	499	499	499	499	499	499	5,983	6,137	6,625
Environmental protection		13	13	13	13	13	13	13	13	13	13	13	13	160	172	184
<i>Trading services</i>		3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	3,427	41,119	44,305	48,110
Electricity		1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	1,913	22,953	25,119	27,601
Water		651	651	651	651	651	651	651	651	651	651	651	651	7,814	8,200	8,748
Waste water management		361	361	361	361	361	361	361	361	361	361	361	361	4,336	4,630	4,962
Waste management		501	501	501	501	501	501	501	501	501	501	501	501	6,015	6,356	6,799
Other		73	73	73	73	73	73	73	73	73	73	73	163	970	832	812
Total Expenditure - Standard		6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,001	6,218	72,230	77,004	83,135
Surplus(Deficit) before assoc.		4,556	1,448	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(454)	(4,277)	(6,286)	(8,627)
Share of surplus/ (deficit) of associate														-	-	-
Surplus(Deficit)	1	4,556	1,448	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(1,092)	(454)	(4,277)	(6,286)	(8,627)

NC065 Hantam - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
<i>Multi-year expenditure to be appropriated</i>	1															
Vote 1 - Executive and Council														-	-	-
Vote 2 - Budget and Treasury Office														-	-	-
Vote 3 - Corporate Services														-	-	-
Vote 4 - Community and Social Services														-	-	-
Vote 5 - Sport and Recreation														-	-	-
Vote 6 - Public Safety														-	-	-
Vote 7 - Planning and Development														-	-	-
Vote 8 - Road Transport														-	-	-
Vote 9 - Environmental Health														-	-	-
Vote 10 - Electricity														-	-	-
Vote 11 - Water														-	-	-
Vote 12 - Waste Water Management														-	-	-
Vote 13 - Solid Waste														-	-	-
Vote 14 - Other														-	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Single-year expenditure to be appropriated</i>																
Vote 1 - Executive and Council														-	-	-
Vote 2 - Budget and Treasury Office														-	-	-
Vote 3 - Corporate Services		9	9	9	9	9	9	9	9	9	9	8	0	100	-	-
Vote 4 - Community and Social Services														-	-	-
Vote 5 - Sport and Recreation														-	-	-
Vote 6 - Public Safety														-	-	-
Vote 7 - Planning and Development														-	-	-
Vote 8 - Road Transport		500	500	500	500	500	500	500	500	500	500			5,000	-	-
Vote 9 - Environmental Health														-	-	-
Vote 10 - Electricity		158	158	158	158	158	158	158	158	158	158	144	0	1,728	-	-
Vote 11 - Water		167	167	167	167	167	167	167	167	167	167	167	167	2,003	-	16,500
Vote 12 - Waste Water Management		946	946	946	946	946	946	946	946	946	946	946	709	11,111	9,953	9,705
Vote 13 - Solid Waste														-	-	-
Vote 14 - Other		88	88	88	88	88	88	88	88	88	88	88	2,640	3,602	-	-
Vote 15 - [NAME OF VOTE 15]														-	-	-
Capital single-year expenditure sub-total	2	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,353	3,516	23,544	9,953	26,205
Total Capital Expenditure	2	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,868	1,353	3,516	23,544	9,953	26,205

2.3 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance of the municipality.
2. Internship programme
The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
The Hantam Municipality established an Audit Committee.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a draft stage and will be finalised after approval of the 2013/14 MTREF in May 2013 directly aligned and informed by the 2013/14 MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the municipality training is ongoing.
8. Policies
An amendment of the Municipal Property Rates Regulations as published in Government Notice 1197 of 28 May 2008. The ratios as prescribed in the Regulations have been complied with.

SUPPORTING DOCUMENTS

NC065 Hantam - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
REVENUE ITEMS:										
Property rates										
Total Property Rates	6		4,484	4,727	5,146	5,147	5,147	7,871	8,658	9,524
Less Revenue Foregone			263	341	316	316	316	1,686	1,804	1,530
Net Property Rates		-	4,221	4,386	4,830	4,831	4,831	6,186	6,855	7,994
Service charges - electricity revenue										
Total Service charges - electricity revenue	6		13,086	16,214	17,821	17,963	17,963	19,292	20,835	22,502
Less Revenue Foregone			261	363						
Net Service charges - electricity revenue		-	12,824	15,851	17,821	17,963	17,963	19,292	20,835	22,502
Service charges - water revenue										
Total Service charges - water revenue	6		4,787	5,253	5,644	5,655	5,655	6,292	6,796	7,339
Less Revenue Foregone			646	1,010						
Net Service charges - water revenue		-	4,141	4,243	5,644	5,655	5,655	6,292	6,796	7,339
Service charges - sanitation revenue										
Total Service charges - sanitation revenue			2,247	2,430	2,745	2,745	2,745	3,179	3,402	3,640
Less Revenue Foregone			646	1,010						
Net Service charges - sanitation revenue		-	1,601	1,420	2,745	2,745	2,745	3,179	3,402	3,640
Service charges - refuse revenue										
Total refuse removal revenue	6		3,035	3,354	3,737	3,832	3,832	4,159	4,450	4,761
Total landfill revenue										
Less Revenue Foregone										
Net Service charges - refuse revenue		-	3,035	3,354	3,737	3,832	3,832	4,159	4,450	4,761
Other Revenue by source										
SE TA Refunds								127	138	141
Sale of Gravel			1	7				1	1	1
Photocopies			9	7				8	9	9
Sale of Magazines								3	3	3
Transaction Fees			45	51				53	55	57
Reduced Ampages			6	3				4	4	5
PMU Contribution								181	148	146
Lost Material			1	0				1	1	1
Game Sales			187	455	922	671	671			
Surplus Cash			11	0						
Total 'Other' Revenue	3	-	261	524	922	671	671	379	360	362
EXPENDITURE ITEMS:										
Employee related costs										
Basic Salaries and Wages	2		14,967	15,589	17,784	17,103	17,103	18,529	20,178	21,974
Pension and UIF Contributions			2,495	2,721	3,147	2,864	2,864	3,040	3,357	3,610
Medical Aid Contributions			811	907	1,112	947	947	1,111	1,171	1,313
Overtime			515	690	774	767	767	946	1,029	1,118
Performance Bonus					200	140	140	180	200	210
Motor Vehicle Allowance			1,101	1,271	1,469	1,407	1,407	1,540	1,696	1,811
Cellphone Allowance										
Housing Allowances			260	235	273	223	223	189	200	218
Other benefits and allowances			216	287	331	302	302	363	386	417
Payments in lieu of leave					320	200	200	100	110	120
Long service awards					215	215	215	215	225	230
Post-retirement benefit obligations	4		463	402	211	211	211	211	220	225
Less: Employees costs capitalised to PPE	5	-	20,707	22,021	25,836	24,379	24,379	26,414	28,732	31,248
Total Employee related costs	1	-	20,707	22,021	25,836	24,379	24,379	26,414	28,732	31,248
Contributions recognised - capital										
Less contributions by contract										
Total Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Depreciation & asset impairment										
Depreciation of Property, Plant & Equipment			4,722	4,639	4,090	4,510	4,510	4,513	4,520	4,520
Lease amortisation										
Capital asset impairment										
Depreciation resulting from revaluation of PPE										
Total Depreciation & asset impairment	10	-	4,722	4,639	4,090	4,510	4,510	4,513	4,520	4,520
Bulk purchases										
Electricity Bulk Purchases			8,985	11,761	12,383	13,736	13,736	15,275	16,986	18,888
Water Bulk Purchases					6	6	6	6	6	6
Total bulk purchases	1	-	8,985	11,761	12,389	13,743	13,743	15,281	16,992	18,894
Transfers and grants										
Cash transfers and grants			-	-	140	130	130	150	170	190
Non-cash transfers and grants			335	304	147	147	147	142	150	159
Total transfers and grants	1	-	335	304	287	277	277	292	320	349
Contracted services										
Security					290	381	381	160	176	184
Collection								91	96	100
Water								70	72	78
			733	931						
Allocations to organs of state:										
Electricity			733	931	290	381	381	321	344	362
Water										
Sanitation										
Other										
Total contracted services		-	733	931	290	381	381	321	344	362
Other Expenditure By Type										
Collection costs				245	260	315	315			
Contributions to 'other' provisions					550					
Consultant fees										
Audit fees					750	1,000	1,000	1,200		
General expenses			10,434	11,485	12,110	12,731	12,731	13,660	15,742	16,715
Repairs					3,281	3,628	3,628			
Total 'Other' Expenditure	1	-	10,434	11,729	16,950	17,674	17,674	14,860	15,742	16,715
By Expenditure Item										
Employee related costs	8				2,731	3,628	3,628	4,165	3,559	3,772
Other materials										
Contracted Services										
Other Expenditure										
Total Repairs and Maintenance Expenditure	9	-	-	-	2,731	3,628	3,628	4,165	3,559	3,772

NC065 Hantam - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive and Council	Vote 2 - Budget and Treasury Office	Vote 3 - Corporate Services	Vote 4 - Community and Social Services	Vote 5 - Sport and Recreation	Vote 6 - Public Safety	Vote 7 - Planning and Development	Vote 8 - Road Transport	Vote 9 - Environmental Health	Vote 10 - Electricity	Vote 11 - Water	Vote 12 - Waste Water Management	Vote 13 - Solid Waste	Vote 14 - Other	Vote 15 - [NAME OF VOTE 15]	Total
£ thousand	1																
Revenue By Source																	
Property rates			6,186														6,186
Property rates - penalties & collection charges																	-
Service charges - electricity revenue										19,292							19,292
Service charges - water revenue											6,292						6,292
Service charges - sanitation revenue												3,179					3,179
Service charges - refuse revenue													4,159				4,159
Service charges - other				35	3	75				35	122	51	2	4			326
Rental of facilities and equipment				1,217		12			15				2				1,246
Interest earned - external investments				150													150
Interest earned - outstanding debtors			320								620						940
Dividends received					6				75								81
Fines									1,312	1							1,313
Licences and permits																	-
Agency services				1	12								181				379
Other revenue	127								53		4						-
Transfers recognised - operational	1,442	2,540	11,044	632	228				300		3,019	1,720	1,829	1,657			24,411
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		1,569	9,046	12,447	653	315	-	-	1,755	36	23,057	8,063	5,194	5,820	-	-	67,953
Expenditure By Type																	
Employee related costs		1,152	4,584	4,033	1,147	338	2	364	3,235	120	2,151	3,020	1,981	3,581			25,708
Remuneration of councillors		2,361															2,361
Debt impairment											1,894	755	367	458			3,474
Depreciation & asset impairment			174	687	258	214	7		645	8	681	563	428	129	719		4,513
Finance charges														401	148		549
Bulk purchases											15,275	6					15,281
Other materials	5	546	247	170	457		7	0	900		790	850	125	15	55		4,165
Contracted services			91									70		160			321
Transfers and grants	292																292
Other expenditure	3,624	1,384	835	711	220	52	37	1,203	32	2,162	2,550	1,435	1,272	48			15,564
Loss on disposal of PPE																	-
Total Expenditure		7,433	6,779	5,802	2,286	1,230	68	401	5,983	160	22,953	7,814	4,336	6,015	970	-	72,230
Surplus/(Deficit)		(5,864)	2,267	6,645	(1,633)	(915)	(68)	(401)	(4,229)	(124)	104	249	857	(195)	(970)	-	(4,277)
Transfers recognised - capital																	-
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(5,864)	2,267	6,645	(1,633)	(915)	(68)	(401)	(4,229)	(124)	104	249	857	(195)	(970)	-	(4,277)

VC065 Hartman - Supporting Table SA3 Supporting detail to Budgeted Financial Position											
Description	Ref	2009/10	2010/11	2011/12	Current Year 2012/13				2013/14 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousand											
ASSETS											
<u>Call investment deposits</u>	2										
Call deposits < 90 days					3 250	3 000	3 000				
Other current investments > 90 days											
Total Call investment deposits		-	-	-	3 250	3 000	3 000	-	-	-	-
<u>Consumer debtors</u>	2										
Consumer debtors			20 588	21 893	34 374	32 833	32 833		36 314	12 136	13 825
Less: Provision for debt impairment				(13 773)	(15 306)	(23 473)	(21 973)	(21 973)	(25 446)		
Total Consumer debtors		-	6 814	6 588	10 901	10 861	10 861	-	10 868	12 136	13 825
<u>Debt impairment provision</u>											
Balance at the beginning of the year					18 606	18 606	18 606		21 973		
Contributions to the provision					4 867	3 367	3 367		3 474		
Bad debts written off											
Balance at end of year		-	-	-	23 473	21 973	21 973	-	25 446	-	-
<u>Property, plant and equipment (PPE)</u>	3										
PPE at cost/valuation (excl. finance leases)				96 858	109 173	121 568	123 967	123 967	112 888	118 511	140 197
Leases recognised as PPE											
Less: Accumulated depreciation			32 851	28 900	40 626	41 047	41 047		4 510		
Total Property, plant and equipment (PPE)	2	-	64 006	80 273	80 942	82 920	82 920	-	108 378	118 511	140 197
LIABILITIES											
<u>Current liabilities - Borrowing</u>											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities				623	653						
Total Current liabilities - Borrowing		-	623	653	-	-	-	-	-	-	-
<u>Trade and other payables</u>	2										
Trade and other creditors				9 047	7 526		(1 283)	(1 283)			
Unspent conditional transfers				6 388	1 369						
VAT			2 282	2 686							
Total Trade and other payables		-	17 717	11 580	-	(1 283)	(1 283)	-	-	-	-
<u>Non current liabilities - Borrowing</u>	4										
Borrowing				2 179	1 561	1 790	1 790	1 790	1 184	1 184	1 184
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		-	2 179	1 561	1 790	1 790	1 790	-	1 184	1 184	1 184
<u>Provisions - non-current</u>											
Retirement benefits				6 977	8 083				5 017	5 327	5 657
List other major provision items											
Refuse landfill site rehabilitation			3 645	4 009					13 345	13 790	14 245
Other					7 853	7 853	7 853				
Total Provisions - non-current		-	10 622	12 092	7 853	7 853	7 853	-	18 362	19 117	19 902
CHANGES IN NET ASSETS											
<u>Accumulated Surplus/(Deficit)</u>											
Accumulated Surplus/(Deficit) - opening balance						80 084			95 227		
GRAP adjustments											
Restated balance		-	-	-	80 084	-	-	-	95 227	-	-
Surplus/(Deficit)		-	(1 974)	7 607	(4 628)	(4 460)	(4 460)	-	(4 915)	(7 167)	(9 642)
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets									4 510		
Other adjustments									426		
Accumulated Surplus/(Deficit)	1	-	(1 974)	7 607	75 456	(4 460)	(4 460)	-	95 247	(7 167)	(9 642)
<u>Reserves</u>	2										
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation			19 395	19 395	19 395	19 395	19 395		19 395	19 395	19 395
Total Reserves		-	19 395	19 395	19 395	19 395	19 395	-	19 395	19 395	19 395
TOTAL COMMUNITY WEALTH/EQUITY	2	-	17 421	27 002	94 851	14 935	14 935	-	114 642	12 227	9 753
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

Municipal manager's quality certificate

I, Charl du Plessis, municipal manager of HANTAM Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Charl du Plessis

Municipal manager of HANTAM MUNICIPALITY (NC065)

Signature _____

Date 27 May 2013